Care Dorset Shareholder Committee

25 June 2025

Annual financial report for the year ending 30 September 2024

Report author: Lisa Evans
Title: Chief Finance Officer
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Date: 5 June 2025

Report status: **PUBLIC**

Brief summary:

1. This paper summarises the audited annual accounts for the twelve months ending 30 September 2024.

Recommendation:

2. The Shareholder is asked to note the contents of this report and formally endorse the accounts for submission to Companies House by 30 June 2025.

Reason for Recommendation

3. The Shareholder Committee has responsibility for overseeing the performance and governance of Care Dorset. The review and endorsement of the Annual Accounts provides assurance on the financial health of the Local Authority Trading Company as of 30 September 2024.

Financial results

4. In the second year of trading Care Dorset made a small profit of £10,247 on revenue of £31,919,031. Gross profit has increased from 12.55% to 13.65% of turnover – reflecting improved control over direct cost base.

5. Most of our revenue comes from the Dorset Council to fund our block contract and our registered reablement services from the Better Care Fund, also via Dorset Council. Other revenues accounted for 5% of total revenue and as such we are significantly within the Teckal procurement threshold of 80% of revenues coming from the entity's owner authority.

6. During the year, Care Dorset completed the operational set-up of a new extra care service in Gillingham, recruiting and training a team of twenty colleagues in readiness to deliver support. The new service revenue is forecast to be £1m for the next financial year.

7. The most significant cost for Care Dorset is pay totalling £23,336,33. During the period, Care Dorset employed 872 colleagues, of which 841 were in our service operation, 25 in management/administration and 6 Directors (Executive and Non Executive Directors).

8. The reliance on agency staff significantly reduced compared to the previous year by 35%.

9. The next most significant cost to Care Dorset is property and equipment, with property rent totalling £2,298,777 of which £2,005,500 relates to rent for Dorset Council property and bought back services from Dorset Council of around £750,000.

10. As of 30 September 2024, Care Dorset Holding Ltd had cash in the bank of £5 million. Debtors were £2.2 million. Creditors were £7.8 million, the most significant of which were Dorset Council rent charges awaiting agreement on the Occupancy Agreement and accruals for utility costs which were awaiting to be invoiced by Dorset Council. Since the accounting reference date, Care Dorset has settled and paid £2.8 million for rent and utilities to Dorset Council.

Summary

11. Care Dorset continued to make good progress during the year. The reported small profit of £10k in the year compared to a loss of £394k in the previous year, reflects the absence of set-up costs associated with first year of operation alongside improved controls and processes.

Appendices

12. Annual Report and Consolidated Financial Statements for the year ending 30 September 2024 to be submitted to Companies House. Please refer to Appendix A.

June 2025

APPENDIX A

Care Dorset Holding Limited

Annual Report and Consolidated Financial Statements Year Ended 30 September 2024

Registration number: 14208349

Care Dorset Holding Limited

Contents

Care Dorset Holding Limited

Company Information

Directors	C J Best
	A L Billany
	C J Brophy
	N Rowland
	C M Tapster
	L J Evans
Company secretary	S A Longman
Registered office	County Hall Colliton Park Dorchester Dorset DT1 1XJ
Auditors	PKF Francis Clark Statutory Auditor Towngate House 2-8 Parkstone Road Poole Dorset BH15 2PW

Care Dorset Holding Limited

Strategic Report

Year Ended 30 September 2024

The directors present their strategic report for the year ended 30 September 2024.

Overview
Care Dorset Holding is a local authority trading company (LATC) wholly owned by Dorset Council. Care Dorset Holding commenced trading on 3 October 2022, following the transfer of activities from Tricuro Support Ltd, an LATC owned by Dorset Council and Bournemouth, Christchurch and Poole Council.

Care Dorset Holding holds the contractual relationship with Dorset Council commissioners as well as the property agreements and support services buy-back contracts with Dorset Council. Care Dorset Holding's wholly owned subsidiary, Care Dorset, is responsible for all employees, holds CQC registration where appropriate and provides all the services to the people we support.

Strategy
Care Dorset's strategic vision is "A world in which people can thrive" and this is supported by the organisation's values of We are People-focused, We have Integrity, We are Genuine, We will Develop and We are a Team.

The company operates five residential care homes, three supported living locations, 30 reablement beds across three locations, community reablement, 13-day services, and most recently, St Martin's House Extra Care in Gillingham.

This year has seen the Care Dorset Board work on its five year strategy - Your Life, Your Way - which the Shareholder approved in December 2024. The strategy sets out the organisation's priorities for the next five years.

Care Dorset Holding Limited

Strategic Report

Year Ended 30 September 2024

Principal activity
The principal activity of the group and company is that of an integrated care provider for older people and disabled people. The key elements of our services are:

- Residential Care. We have an estate of 240 beds for people with a range of acuity, including complex dementia.
- Bedded Reablement. We have 30 beds providing reablement and rehabilitation typically of six weeks duration, to help people transition from hospital to independent living at home.
- Community Reablement. Our Bedded Reablement Service complements our established Community Reablement service, which supports continued independent living.
- Day Services. Care Dorset operates across Dorset, supporting older and people with a range of disabilities. Moreover, this is a vital respite support for unpaid family members and informal carers.
- Supported Living. We provide support in three locations, for people living independently with a tenancy often provided by a registered social landlord.
- Extra Care. Commenced startup of a 55-bed Extra Care service in Gillingham for supporting vulnerable people to live in self-contained homes, with support provided by Care Dorset when needed.

The Board has an obligation under section 172 of the Companies Act 2006 to promote the success of the company. The directors must act, in good faith, in ways that would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to-
(a) the likely consequences of any decision in the long term,
(b) the interests of the company's employees,
(c) the need to foster the company's business relationships with suppliers, customers and others,
(d) the impact of the company's operations on the community and the environment,
(e) the desirability of the company maintaining a reputation for high standards of business conduct, and
(f) the need to act fairly as between members of the company.

The Board carefully consider the impact on our stakeholders when making decisions. As well as the owner of our business, Dorset Council, we recognise we have a wide range of stakeholders with significant interests in our business.

People we support and families
Care Dorset is dedicated to involving the people we support, ensuring their voices directly influence their services and practices.

Three groups meet regularly, fostering a space for ongoing feedback and collaboration. Together, they have reviewed complaints, refined templates, and ensured accessible information does its job. An important outcome of these groups has been co-production of a Quality-of-Life Assessment, to be rolled out during 2025. Lived experience groups offered invaluable feedback, which has influenced the assessment's design and content.

A stakeholder survey has been co-produced, exploring the Care Dorset Quality Standards. It was shared with people we support, ensuring it's both accessible and meaningful. The results of the survey will be known in late Spring 2025.

Colleagues
Our colleagues are at the heart of our business, ensuring that the individuals we support and their families receive care that embodies kindness, compassion, and professionalism. We embrace a 'servant leadership' approach, which requires our managers to lead by serving-empowering and supporting our colleagues to perform their roles effectively and efficiently. This enables us to continually enhance the lives and outcomes of those we support and their families.

We are dedicated to involving our colleagues in shaping our business and fostering transparent communication. Through a variety of channels, we ensure regular updates on changes in the external environment that impact our operations.

Care Dorset has a positive relationship with its three recognised trade unions with regular interaction and discussions.

Regulators
Care Dorset is regulated by the Care Quality Commission (CQC). Significant investments have been made to enhance our systems and processes, establishing a strong compliance framework whilst prioritising the delivery of high-quality services.

Communities
Ongoing work has been undertaken over the course of the last 12 months in working with the communities in which Care Dorset operates. This includes engagement with local Scouts and Brownie groups, fundraising for various charitable organisations and support groups.

Contributions to political parties
Care Dorset makes no contributions to political parties through any part of the group.

Engagement with employees
We are committed to fostering an inclusive and equitable workplace that supports recruitment where colleagues build their chosen careers and are the best they can be regardless of race, ethnicity, gender, sexuality, religion, and identity. We welcome people with disabilities to become colleagues. We believe diversity is a strength and source of advantage. We offer an on- going training and development programs tailored to support the skills, talents, and aspirations of all employees.

We run regular colleague surveys to test how people feel about working at Care Dorset, the results are generally favourable. Our regular Managing Director weekly message to colleagues shares information relating to our performance and stories of what's happening across the organisation with a direct link to ask questions.

If colleagues’ concerns about wrongdoing remain unaddressed, they are encouraged to use our whistle-blowing process. All whistle-blowers’ concerns are taken extremely seriously, and whistle-blowers are protected. Secondly, we have a Speak-up campaign allowing our colleagues to express concerns about our practice. A highly visible campaign encourages people to use the Speak-up QR code to report concerns.

Going concern
The accounts are prepared on a going concern basis. As of 30 September 2024, the group had net liabilities of £383,810 (2023: £394,057). As a start-up in its second year of trading, investment was required to address issues from the transferred business to ensure it can serve the needs of people requiring care in Dorset.

Care Dorset is forecasting a profit next year from its operating activities and are confident that by ensuring our strategy aligns with our commissioner’s strategies, and our collaborative working we will achieve profitable long-term growth with a sustainable strategic fit.

Care Dorset has a 5-year strategy to modernise our services and to grow in areas where needed, significantly expanding services such as reablement, rehabilitation and intermediate care. We will also modernise our offerings in day services, invest in growing extra care and supported living and work with our commissioners to develop other businesses currently provided by Dorset Council.

Dorset Council commissions the majority of our revenue and Care Dorset’s major costs, other than payroll, are services bought back from Dorset Council. Terms of trade are aligned to reflect Care Dorset’s working capital requirements. Contracts for commissioned services and buy-back contracts are coterminous. Care Dorset’s cash position is healthy, with any potential strain managed through regular cash flow forecasts.

Fair review of the business
The Care Dorset Group has seen turnover increase by £2.3m (8%) over the previous year due to increased revenue from our reablement bed contract, a new supported living service and some growth within the self - funder market.

Group gross profit margin has increased from 12.55% to 14.0% – reflecting improved control over direct cost base.

The group has reported a small profit of £10k in the year compared to a loss of £(394)k in the previous year – this reflects the absence of setup costs associated with first year of operation, improved controls and processes.

The group’s balance sheet is principally a reflection of balances between The Care Dorset Group and Dorset Council. It includes £1.7m of utility costs in accruals for the two years to 30 September 2024 (settled after the year end), a balance of £2.79m in trade creditors for rent (of which £1.6m settled after year end), a balance of £616k in accrued income for property recharges (settled after year end) and an amount of £679k in prepayments relating to closure of Sidney Gale house residential home (recoverable from Dorset Council).

The group's key financial and other performance indicators during the year were as follows:

Financial KPIs	**Unit**	**2024**	**2023**
Revenue	£'000	31,919	29,583
Operating profit / (loss)	£'000	10	(394)
Cash at bank and in hand	£'000	5,159	6,474
Number of care staff		773	718

Care Dorset Holding Limited

Strategic Report

Year Ended 30 September 2024

Principal risks and uncertainties

The principal risks are the provision of compliant and safe services, availability of skilled, trained human resources and associated transfer issues, mitigated by the following measures:

- Care Dorset has a comprehensive strategic risk register regularly reviewed and updated by the Board
- A dedicated quality team regularly reviews the quality and performance of our services
- Learning and development programme delivered for all colleagues
- Clear policies and procedures are in place and reviewed including safeguarding, complaints and whistle blowing
- Focus on workforce engagement, 1 :1 and appraisal process
- Competitive pay and rewards
- Business continuity plans are in place and reviewed
- Close monitoring of agency costs
- Financial performance meetings with services
- Strong relationships with the people we support, their families and carers
- Strong relationships with our shareholder, commissioners and others in Dorset Council

Approved by the Board on .... and signed on its behalf by:

....
L J Evans
Director

Care Dorset Holding Limited

Directors' Report

Year Ended 30 September 2024

The directors present their report and the consolidated financial statements for the year ended 30 September 2024.

Directors of the group
The directors who held office during the year were as follows:

C J Best

A L Billany

C J Brophy

P F J Oliver (resigned 31 March 2025)

N Rowland

C M Tapster

The following director was appointed after the year end:

L J Evans (appointed 1 April 2025)

Information included in the Strategic Report
The directors have included the going concern statement and all other information required in the directors report within the strategic report.

Disclosure of information to the auditor
Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on .... and signed on its behalf by:

....
L J Evans
Director

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Care Dorset Holding Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Care Dorset Holding Limited

Independent Auditor's Report to the Members of Care Dorset Holding Limited

Opinion

We have audited the financial statements of Care Dorset Holding Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2024, which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2024 and of the group's profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group and parent company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Independent Auditor's Report to the Members of Care Dorset Holding Limited

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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 group’s and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Report to the Members of Care Dorset Holding Limited

Auditor's 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 auditor's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning we obtained an understanding of the legal and regulatory framework that is applicable to the company. We gained an understanding of the company and the industry in which the company operates as part of this assessment to identify the key laws and regulations affecting the company. We enquired with management policies and procedures and made an appropriate team selection (ensuring competence and capability to recognise non-compliance). Key regulations we identified were those relating to the Care Quality Commission (CQC), health and safety regulations, employment law and also those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and tax legislation.

Management enquiries covered any knowledge or evidence of actual or potential fraud, litigation and claims which are followed up with corroborative audit review work. We also evaluated management incentives and opportunities for fraudulent manipulation of the financial statements. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the following:

• Enquiries of management regarding their knowledge of any non compliance with laws and regulations that could affect the financial statements. As part of these enquiries we also discussed with management whether there have been any known instances of fraud.

• Reviewed Care Quality Commission reports, government contracts and legal and professional costs to identify any possible non compliance.

• Audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

• Through our substantive purchase testing, we ensured that all transactions were appropriately classified in the accounts.

• Obtained contracts from outside the accounting system and agreed to income in the accounts, to ensure that contract income was complete and free from cut-off errors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate omissions, collusion, forgery, misrepresentations, or the override of internal controls. We are also less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements.

Independent Auditor's Report to the Members of Care Dorset Holding Limited

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.

....
Daniel Tout FCA (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

Date:.............................

Care Dorset Holding Limited

Consolidated Profit and Loss Account

Year Ended 30 September 2024

	Note	2024 £	2023 £
Turnover	3	31,919,031	29,583,496
Cost of sales		(27,449,159)	(25,867,815)
Gross profit		4,469,872	3,715,681
Administrative expenses		(4,463,625)	(4,121,612)
Other operating income		4,000	11,873
Operating profit/(loss)	4	10,247	(394,058)
Profit/(loss) before tax		10,247	(394,058)
Profit/(loss) for the financial year		10,247	(394,058)
Profit/(loss) attributable to:			
Owners of the company		10,247	(394,058)

The group has no recognised gains or losses for the year other than the results above.

Care Dorset Holding Limited

Consolidated Balance Sheet

30 September 2024

	Note	2024 £	2023 £
Fixed assets			
Intangible assets	9	5,662	22,487
Tangible assets	10	9,142	12,570
		14,804	35,057
Current assets			
Debtors	12	2,280,190	2,110,723
Cash at bank and in hand	13	5,159,179	6,473,563
		7,439,369	8,584,286
Creditors: Amounts falling due within one year	14	(7,837,983)	(9,013,400)
Net current liabilities		(398,614)	(429,114)
Net liabilities		(383,810)	(394,057)
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account		(383,811)	(394,058)
Equity attributable to owners of the company		(383,810)	(394,057)
Shareholders' deficit		(383,810)	(394,057)

Approved and authorised by the Board on .... and signed on its behalf by:

....
C J Best
Director

Company Registration Number: 14208349

Care Dorset Holding Limited

Balance Sheet

30 September 2024

	Note	2024 £	2023 £
Fixed assets			
Investments	11	1	1
Current assets			
Debtors	12	1	1,604,001
Cash at bank and in hand	13	1,038,944	4,514,317
		1,038,945	6,118,318
Creditors: Amounts falling due within one year	14	(1,721,797)	(6,806,916)
Net current liabilities		(682,852)	(688,598)
Net liabilities		(682,851)	(688,597)
Capital and reserves			
Called up share capital	17	1	1
Profit and loss account		(682,852)	(688,598)
Shareholders' deficit		(682,851)	(688,597)

The company has taken the exemption in section 408 of the Companies Act 2006 and has not presented its individual profit and loss account. The company made a profit after tax for the financial year of £5,746 (2023 - loss of £688,598).

Approved and authorised by the Board on .... and signed on its behalf by:

....
C J Best
Director

Company Registration Number: 14208349

Care Dorset Holding Limited

Consolidated Statement of Changes in Equity

Year Ended 30 September 2024

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 October 2023	1	(394,058)	(394,057)	(394,057)
Profit for the year	-	10,247	10,247	10,247
At 30 September 2024	1	(383,811)	(383,810)	(383,810)

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 October 2022	1	-	1	1
Loss for the year	-	(394,058)	(394,058)	(394,058)
At 30 September 2023	1	(394,058)	(394,057)	(394,057)

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Care Dorset Holding Limited

Statement of Changes in Equity

Year Ended 30 September 2024

	Share capital £	Profit and loss account £	Total £
At 1 October 2023	1	(688,598)	(688,597)
Profit for the year	-	5,746	5,746
At 30 September 2024	1	(682,852)	(682,851)

	Share capital £	Profit and loss account £	Total £
At 1 October 2022	1	-	1
Loss for the year	-	(688,598)	(688,598)
At 30 September 2023	1	(688,598)	(688,597)

The notes on pages 19 to 29 form an integral part of these financial statements.

Care Dorset Holding Limited

Consolidated Statement of Cash Flows

Year Ended 30 September 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Profit/(loss) for the year		10,247	(394,058)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	20,253	12,306
		30,500	(381,752)
Working capital adjustments			
Increase in debtors	12	(169,467)	(2,110,722)
Increase in creditors	14	1,032,745	6,747,140
(Decrease)/increase in deferred income	14	(2,208,162)	2,266,260
Net cash flow from operating activities		(1,314,384)	6,520,926
Cash flows from investing activities			
Acquisitions of tangible assets	10	-	(13,713)
Acquisition of intangible assets	9	-	(33,650)
Net cash flows from investing activities		-	(47,363)
Net (decrease)/increase in cash and cash equivalents		(1,314,384)	6,473,563
Cash and cash equivalents at 1 October		6,473,563	-
Cash and cash equivalents at 30 September	13	5,159,179	6,473,563

The notes on pages 19 to 29 form an integral part of these financial statements.

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
County Hall
Colliton Park
Dorchester
Dorset
DT1 1XJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates
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.

Statement of compliance
These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

There are no material departures from FRS 102.

Basis of preparation
These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentational currency of the financial statements is pound sterling, and each number is rounded to the nearest pound.

Summary of disclosure exemptions
Care Dorset Holding Limited meets the definition of a qualifying group entity under FRS 102 and has therefore taken advantage of certain disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements.

Exemptions have been taken in relation to the presentation of the financial instruments and no separate company Statement of Cash Flows has been prepared.

The company has taken advantage of the exemption in Financial Reporting Standard 102 chapter 33 "Related Party Disclosure" and has not disclosed transactions with wholly owned group undertakings or wholly owned indirectly by the ultimate controlling party.

Basis of consolidation
The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 September 2024.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein.

Going concern

The accounts are prepared on a going concern basis. As of 30 September 2024, the group had net liabilities of £383,810 (2023: £394,057). As a start-up in its second year of trading, investment was required to address issues from the transferred business to ensure it can serve the needs of people requiring care in Dorset.

Care Dorset is forecasting a profit next year from its operating activities and are confident that by ensuring our strategy aligns with our commissioner's strategies, and our collaborative working we will achieve profitable long-term growth with a sustainable strategic fit.

Care Dorset has a 5-year strategy to modernise our services and to grow in areas where needed, significantly expanding services such as reablement, rehabilitation and intermediate care. We will also modernise our offerings in day services, invest in growing extra care and supported living and work with our commissioners to develop other businesses currently provided by Dorset Council.

Dorset Council commissions the majority of our revenue and Care Dorset's major costs, other than payroll, are services bought back from Dorset Council. Terms of trade are aligned to reflect Care Dorset's working capital requirements. Contracts for commissioned services and buy-back contracts are coterminous. Care Dorset's cash position is healthy, with any potential strain managed through regular cash flow forecasts.

Judgements

There are no key judgements used in the preparation of these accounts.

Key sources of estimation uncertainty

There are no key sources of estimation uncertainty.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the provision of residential and domiciliary care services provided during the year. It is recognised at the point the service is provided. Any income received in advance of the services being provided are deferred until the service is provided. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Tangible assets
Care Dorset has a policy to capitalise assets with an individual value of over £10,000.

Depreciation
Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture and fittings	4 years straight line

Intangible assets
Software has a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation
Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Software	2 years straight line

Defined contribution pension obligation
A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Employee benefit obligations
Care Dorset Limited is an admitted body within the Local Government Pension Scheme, a defined benefit scheme administered by Dorset County Council.

Some members of Care Dorset staff are members of the LGPS pension scheme. This is a defined benefit scheme providing members with benefits related to pay and length of service. The scheme is as follows;

The Local Government Pension Scheme (LGPS) for Care Dorset staff is administered by Dorset Council. This is a funded scheme, meaning that the company and the employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets.

The LGPS is a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013, is contracted out of State Second Pension and currently provides benefits based on career average revalued salary and length of service in retirement.

The administering authority for the fund is Dorset Council. The Pension Fund Committee oversees the management of the fund whilst the day-to-day administration is undertaken by a team within the administering authority. Where appropriate some functions are delegated to the fund's professional advisers.

As administering authority to the fund, Dorset Council, after consultation with the Fund Actuary and other relevant partis, is responsible for the preparation and maintenance of the Funding Strategy Statement and the Statement of Investment Principles. These should be amended when appropriate based on the Fund's performance and funding.

Contributions are set every three years as a result of the actuarial valuation of the Fund required by the Regulations. The actuarial valuation of the Fund was carried out as at 1 June 2023 and determined contributions for the period 1 April 2023 to 31 March 2025.

The company's pensions are accounted for as defined contributions plans under which the company pays fixed contributions into the Dorset County Pension Fund. The company has no legal or constructive obligation to pay further contributions or to make direct benefit payments to employees if the fund does not hold sufficient assets to pay all employees benefits relating to employee Service in the current and prior periods. Thus, the amount of the post-employment benefits received by the employees is determined by the amount of contributions paid by an entity (and perhaps also the employees) to a post-employment benefit plan or to an insurer, together with investment returns from the contributions. The defined benefit pension liability is therefore held on the balance sheets of the shareholders of the company.

Financial instruments

Classification

The company holds the following financial instruments:

• Short term trade, intercompany and other debtors and creditors;
• Cash and bank balances.

All financial instruments are classified as basic.

Recognition and measurement

The company has chosen to apply the recognition and measurement principles in FRS102.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company’s obligations are discharged, expire or are cancelled.

Such instruments are initially measured at transaction price, including transaction costs, and are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments.

3 Turnover

The analysis of the group's Turnover for the year from continuing operations is as follows:

	2024	2023
	£	£
Rendering of services, UK	31,919,031	29,583,496

4 Operating profit/(loss)

Arrived at after charging/(crediting)

	2024 £	2023 £
Depreciation expense	3,428	1,143
Amortisation expense	16,825	11,163
Operating lease expense - property	339,569	205,750
Operating lease expense - tenancy at will	1,959,211	2,382,100

5 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2024 £	2023 £
Wages and salaries	19,797,383	16,865,714
Social security costs	1,684,678	1,417,944
Pension costs, defined contribution scheme	1,854,272	1,890,571
	23,336,333	20,174,229

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

	2024 No.	2023 No.
Care staff	773	718
Management and administration	25	20
Reablement	68	76
Directors	6	4
	872	818

6 Directors' remuneration

The directors' remuneration for the year was as follows:

	2024 £	2023 £
Remuneration	316,382	348,272
Contributions paid to money purchase schemes	7,920	9,532
	324,302	357,804

In respect of the highest paid director:

	2024 £	2023 £
Remuneration	146,054	107,550
Company contributions to money purchase pension schemes	4,350	3,227

7 Auditor's remuneration

	2024 £	2023 £
Audit of these financial statements	24,750	24,750

8 Taxation

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2023 - higher than the standard rate of corporation tax in the UK) of 25% (2023 - 22.01%).

The differences are reconciled below:

	2024 £	2023 £
Profit/(loss) before tax	10,247	(394,058)
Corporation tax at standard rate	2,562	(86,732)
Effect of tax losses	-	1,643
Deferred tax (credit)/expense from unrecognised tax loss or credit	(2,562)	85,089
Total tax charge/(credit)	-	-

On 1 April 2023 there was an increase in the main rate of corporation tax to 25%, with the rate prior to that date being 19%. Consequently there has been an increase in the applicable tax rate to 25% (2023 - average 22.01%).

9 Intangible assets

Group

	Trademarks, patents and licenses £	Total £
Cost or valuation		
At 1 October 2023	33,650	33,650
At 30 September 2024	33,650	33,650
Amortisation		
At 1 October 2023	11,163	11,163
Amortisation charge	16,825	16,825
At 30 September 2024	27,988	27,988
Carrying amount		
At 30 September 2024	5,662	5,662
At 30 September 2023	22,487	22,487

10 Tangible assets

Group

	Furniture, fittings and equipment £	Total £
Cost or valuation		
At 1 October 2023	13,713	13,713
At 30 September 2024	13,713	13,713
Depreciation		
At 1 October 2023	1,143	1,143
Charge for the year	3,428	3,428
At 30 September 2024	4,571	4,571
Carrying amount		
At 30 September 2024	9,142	9,142
At 30 September 2023	12,570	12,570

11 Investments

Company

Subsidiaries	**£**
Cost	
At 1 October 2023	1
Carrying amount	
At 30 September 2024	1
At 30 September 2023	1

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2024	2023
Subsidiary undertakings				
Care Dorset Ltd	County Hall, Colliton Park, Dorchester, England, DT1 1XJ England and Wales	Ordinary	100%	100%

12 Debtors

	Group 2024 £	2023 £	Company 2024 £	2023 £
Trade debtors	279,132	98,312	-	-
Other debtors	111,301	185,386	1	1
Prepayments	1,221,369	133,162	-	-
Accrued income	668,388	1,693,863	-	1,604,000
	2,280,190	2,110,723	1	1,604,001

13 Cash and cash equivalents

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Cash on hand	6,509	6,509	-	-
Cash at bank	5,152,670	6,467,054	1,038,944	4,514,317
	5,159,179	6,473,563	1,038,944	4,514,317

14 Creditors

	Group		Company	
	2024	2023	2024	2023
	£	£	£	£
Due within one year				
Trade creditors	3,028,807	246,038	-	-
Amounts due to group undertakings	-	-	559,188	3,272,463
Social security and other taxes	1,315,396	1,576,795	1,018,366	1,312,370
Outstanding defined contribution pension costs	187,736	141,288	-	-
Other creditors	207,136	78,505	144,243	-
Accruals	3,040,810	4,704,514	-	-
Deferred income	58,098	2,266,260	-	2,222,083
	7,837,983	9,013,400	1,721,797	6,806,916

15 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2024 £	2023 £
Not later than one year	290,994	264,167
Later than one year and not later than five years	898,567	47,582
Later than five years	1,815,000	-
	3,004,561	311,749

The amount of non-cancellable operating lease payments recognised as an expense during the year was £291,958 (2023 - £239,617).

There is rental expenditure in the accounts totalling £1,959,211 (2023: £2,382,100) which is under a tenancy at will agreement. The agreement states that the occupier can choose to or be asked to vacate the properties at any time, meaning that there is no commitment for these properties.

16 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £1,854,272 (2023 - £1,890,571).

Contributions totalling £187,736 (2023 - £141,288) were payable to the scheme at the end of the year and are included in creditors.

17 Share capital

Allotted, called up and fully paid shares

	2024 No.	2024 £	2023 No.	2023 £
Ordinary shares of £1 each	1	1	1	1

Rights, preferences and restrictions

Ordinary have the following rights, preferences and restrictions:
The owner of the share has full rights regarding voting, payment of dividends and distributions.

18 Parent and ultimate parent undertaking

The controlling party is Dorset Council.

19 Related party transactions

Group

During the year, the group made sales totalling £29,964,680 (2023 - £28,162,303) and purchases totalling £4,541,875 (2023 - £4,707,144) to Dorset Council. At the year end, the group owed £2,790,195 (2023 - (£16)).

During the year, the group made purchases totalling £31,488 (2023 - £114,691) to an entity controlled by a director. At the year end, the group owed £4,560 (2023 - £9,639).

Company

During the year, Care Dorset Holding Limited made sales totalling £29,369,259 (2023 - £27,764,833) to Dorset Council.

Key management compensation

	2024 £	2023 £
Salaries and other short term employee benefits	491,152	469,068
Post-employment benefits	-	11,494
	491,152	480,562

Care Dorset Holding Limited

Detailed Company Profit and Loss Account

Year Ended 30 September 2024

	2024 £	2023 £
Turnover	29,369,260	27,764,333
Administrative expenses		
Management charges	(29,363,514)	(28,452,931)
Operating profit/(loss)	5,746	(688,598)
Profit/(loss) before tax	5,746	(688,598)