

**Company number: 03353584**

**WESTMINSTER HOMECARE LIMITED  
STRATEGIC REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**



# WESTMINSTER HOMECARE LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J M Patel S C Radia
<b>Secretary</b>	S M Patel
<b>Company number</b>	03353584
<b>Registered office</b>	Suite C, Symal House 423 Edgware Road London NW9 0HU
<b>Auditors</b>	Leftley Rowe and Company The Heights 59 – 65 Lowlands Road Harrow Middlesex HA1 3AW
<b>Bankers</b>	HSBC Bank Plc 584 High Road Wembley Middlesex HA0 2DB

# WESTMINSTER HOMECARE LIMITED

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# **WESTMINSTER HOMECARE LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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The principal activity of the Company is provision of domiciliary care services in England to people over the age of sixty-five, as well as young adults with a broad range of needs including physical and sensory impairment, learning disabilities and a range of complex health needs.

#### **Business review**

Total revenues for 2017 were £39.6m compared to £40.3m in 2016. However the pressure on operating margins has continued to be severe due to increasing wage costs and operational overheads.

We welcome the introduction of the National Living Wage. However the underlying increase, coupled with maintenance of pay differentials with other sectors together with the add-on costs, has not been fully met by the Local Authorities, our principal funders. The underfunding and in all cases delayed increases in the fee rates has led to significant margin pressures, which have continued into 2018.

The Company is exposed to risk related to non-renewal of major contracts and loss of key operational staff. We have a good contract renewal record. However in order to mitigate any loss we maintain a pipeline of new tender applications with good success rate. The Company has a good retention rate amongst its key operational staff.

The directors consider turnover and earnings before interest, tax, depreciation and amortisation (EBITDA) to be the main key financial performance indicators for the business. Turnover for the year was £39,599,063 a decrease of 1.64% from £40,258,108 in 2016. EBITDA for 2017 was £882,842.

The directors and all the employees continually strive to maintain the highest standards of quality which they consider an integral part of the group's service.

The results for the year are set out in full in the consolidated statement of income and retained earnings.

#### **Financial risk management and objectives**

The group's financial instruments comprise predominantly cash, trade debtors, loans and various other debtors and creditors that arise directly from its operations.

The group has loan facilities available to assist with working capital requirements where necessary. The directors therefore do not consider financial risks to be significant.

#### **Employment policy**

The directors believe that it is important to recruit and retain capable and caring staff regardless of their sex, marital status, race or religion. It is the group's policy to give full and fair consideration to applications for employment from people who are disabled and to arrange appropriate training for employees who become disabled and to provide equal opportunities for the career development, training and promotion of disabled employees.

**WESTMINSTER HOMECARE LIMITED**

**STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

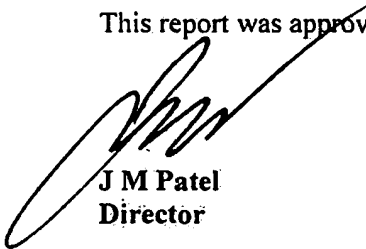
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The directors also recognise that the continued position of the group in the health and social care industry depends on the quality and motivation of its employees and as such the group is committed to pursue employment policies which will continue to attract, retain and motivate its employees.

Good and effective employee communications are particularly important, and throughout the business it is the directors' policy to promote the understanding by all employees of the group's business aims and performance. This is achieved through a variety of communication approaches for each branch.

The directors take this opportunity to recognise the invaluable contribution made by our carers and management staff in providing and maintaining a very high quality of service throughout the year.

This report was approved by the Board on 15 August 2018 and signed on its behalf by



**J M Patel**  
**Director**

# **WESTMINSTER HOMECARE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report together with the audited financial statements of the company and the group for the year ended 31 December 2017.

#### **Results and dividends**

The profit for the year, after taxation, is shown in the consolidated statement of income and retained earnings on page 9. There were no dividends paid during the year.

#### **Directors**

The directors who served during the year are as stated below:

J M Patel  
S C Radia

#### **Directors' responsibilities statement**

The directors are responsible for preparing the 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 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 company and the group and of the profit or loss of the group for that year. In preparing these financial statements, the directors are required to:

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

**WESTMINSTER HOMECARE LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**Strategic Report**

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been disclosed in the Strategic Report.

**Disclosure of information to auditors**

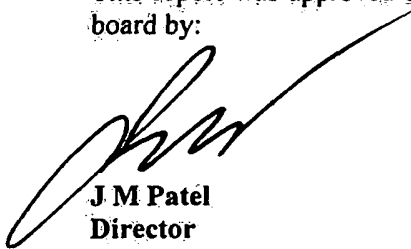
Each of the persons who is a director at the date of approval of this report confirms that:

- So far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- They have taken all 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 auditors are aware of that information.

**Independent auditors**

The auditors are deemed to have been reappointed in accordance with Section 487 of the Companies Act 2006.

This report was approved by the board of directors on 15 August 2018 and signed on behalf of the board by:



**J M Patel**  
**Director**

## **WESTMINSTER HOMECARE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WESTMINSTER HOMECARE LIMITED**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **Opinion**

We have audited the financial statements of Westminster Homecare Limited for the year ended 31 December 2017, which comprise the group statement of income and retained earnings, the group and parent company statement of financial position, the group cash flow statement and the 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 FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders those matters we are required to state to them in an auditors' 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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 31 December 2017 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's responsibilities for the audit of the financial statements section of our report. We are independent of the company 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**

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

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



## **WESTMINSTER HOMECARE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WESTMINSTER HOMECARE LIMITED (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **Other Information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

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 matters 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 period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 group and its environment obtained in the course of the audit, we have not identified material misstatements in 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 disclosure of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

## WESTMINSTER HOMECARE LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WESTMINSTER HOMECARE LIMITED (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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#### **Responsibilities of directors**

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, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

**WESTMINSTER HOMECARE LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS  
OF WESTMINSTER HOMECARE LIMITED (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Christopher Andrews ACA (senior statutory auditor)  
For and on behalf of  
Leftley Rowe and Company  
Chartered Accountants and Statutory Auditors  
The Heights  
59 – 65 Lowlands Road  
Harrow  
Middlesex  
HA1 3AW**

**15 August 2018**

**WESTMINSTER HOMECARE LIMITED**  
**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>Turnover</b>	<b>3</b>	<b>39,599,063</b>	40,258,108
Cost of sales		(29,615,319)	(30,207,071)
<b>Gross profit</b>		<b>9,983,744</b>	10,051,037
Distribution costs		(6,602,940)	(6,467,126)
Administrative expenses		(2,629,239)	(3,615,252)
<b>Operating profit/(loss)</b>	<b>4</b>	<b>751,565</b>	(31,341)
Interest receivable and similar income	6	-	1,187
Interest payable and similar charges	7	(38)	(271)
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>751,527</b>	(30,425)
Tax on profit on ordinary activities	9	(157,600)	(219,385)
<b>Profit/(loss) for the financial year and total comprehensive income</b>		<b>593,927</b>	(249,810)
<b>Dividends paid</b>		-	(2,000,000)
		<b>593,927</b>	(2,249,810)
<b>Retained earnings at the start of the year</b>		<b>4,551,359</b>	6,801,169
<b>Retained earnings at the end of the year</b>		<b>5,145,286</b>	4,551,359

All the activities of the group are from continuing operations.

The notes form an integral part of these financial statements.

**WESTMINSTER HOMECARE LIMITED**

Company number: 03353584

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Intangible assets	11		95,332		158,911
Tangible assets	12		676,487		377,182
			<u>771,819</u>		<u>536,093</u>
<b>Current assets</b>					
Debtors	14	6,218,315		7,137,401	
Cash at bank and in hand		1,543,072		258,049	
		<u>7,761,387</u>		<u>7,395,450</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(3,125,129)</u>		<u>(3,109,410)</u>	
<b>Net current assets</b>			<u>4,636,258</u>		<u>4,286,040</u>
<b>Total assets less current liabilities</b>			<u>5,408,077</u>		<u>4,822,133</u>
<b>Provision for liabilities</b>	16		<u>(12,791)</u>		<u>(20,774)</u>
<b>Net assets</b>			<u><u>5,395,286</u></u>		<u><u>4,801,359</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		250,000		250,000
Profit and loss account			5,145,286		4,551,359
<b>Shareholders' funds</b>			<u><u>5,395,286</u></u>		<u><u>4,801,359</u></u>

The financial statements were approved by the Board of directors and authorised for issue on 15 August 2018 and are signed on behalf of the board by:



J M Patel  
Director

The notes form an integral part of these financial statements.

**WESTMINSTER HOMECARE LIMITED**

Company number: 03353584

**HOLDING COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2017**

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	11a		95,349		158,928
Tangible assets	12a		676,487		377,182
Investments	13		1,020		1,020
			<u>772,856</u>		<u>537,130</u>
<b>Current assets</b>					
Debtors	14a	6,218,298		7,137,401	
Cash at bank and in hand		1,543,072		226,433	
		<u>7,761,370</u>		<u>7,363,834</u>	
<b>Creditors: amounts falling due within one year</b>	15a	<u>(3,136,530)</u>		<u>(3,089,212)</u>	
<b>Net current assets</b>			<u>4,624,840</u>		<u>4,274,622</u>
<b>Total assets less current liabilities</b>			<u>5,397,696</u>		<u>4,811,752</u>
<b>Provisions for liabilities</b>	16a		<u>(12,791)</u>		<u>(20,774)</u>
<b>Net assets</b>			<u><u>5,384,905</u></u>		<u><u>4,790,978</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		250,000		250,000
Profit and loss account			5,134,905		4,540,978
<b>Shareholders' funds</b>			<u><u>5,384,905</u></u>		<u><u>4,790,978</u></u>

The financial statements were approved by the Board of directors and authorised for issue on 15 August 2018 and are signed on behalf of the board by:



J M Patel  
Director

The notes form an integral part of these financial statements.

**WESTMINSTER HOMECARE LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	£	£
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	593,927	(249,810)
Adjustments for:		
Depreciation of tangible assets	60,992	50,722
Depreciation of intangible assets	63,579	1,123,723
Other interest receivable and similar income	-	(1,187)
Interest payable and similar charges	38	271
Tax on profit on ordinary activities	157,600	219,385
Loss on disposal of assets	6,706	12,766
Changes in:		
Trade and other debtors	919,086	(883,666)
Trade and other creditors	(24,614)	290,844
Cash generated from operations	1,777,314	563,048
Interest paid	(38)	(271)
Interest received	-	1,187
Tax paid	(125,250)	(217,051)
Net cash from operating activities	1,652,026	346,913
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(367,844)	(102,155)
Proceeds on disposal of assets	841	1,795
Net cash used for investing activities	(367,003)	(100,360)
<b>Cash flows from financing activities</b>		
Dividends paid	-	(2,000,000)
Net cash used in financing activities	-	(2,000,000)
Net increase in cash and cash equivalents	1,285,023	(1,753,447)
Cash and cash equivalents at beginning of year	258,049	2,011,496
Cash and cash equivalents at end of year	1,543,072	258,049

The notes form an integral part of these financial statements

# **WESTMINSTER HOMECARE LIMITED**

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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#### **1a General information**

The company is a private company limited by shares, registered in England & Wales. The address of the registered office is Symal House, 423 Edgware Road, London, NW9 0HU.

#### **1b Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

#### **2 Accounting policies**

##### **Basis of preparation**

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost basis, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The financial statements are prepared in sterling, which is the functional currency of the entity.

##### **Basis of consolidation**

The consolidated financial statements include the results of Westminster Homecare Limited and its subsidiary undertakings drawn up to 31 December 2017. The company's own Statement of Comprehensive Income is not included as permitted by Section 408 of the Companies Act 2006.

##### **Turnover**

Turnover represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where the contract has only been partially completed at the balance sheet date turnover represents the value of the services provided to date based on a proportion of the total expected consideration at completion. Where payments are received from customers in advance of services provided, the amounts are recorded as payments on account and included as part of Creditors due within one year.



## **WESTMINSTER HOMECARE LIMITED**

### **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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##### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### **Goodwill**

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed four years.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in capital and reserves, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in capital and reserves in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in capital and reserves in respect of that asset, the excess shall be recognised in profit or loss.

# WESTMINSTER HOMECARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### **Fixed asset investments**

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

#### **Impairment**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within twelve months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised in finance costs in profit or loss in the period in which it arises.

#### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event; it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised in finance costs in profit or loss in the period it arises.

# WESTMINSTER HOMECARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 3 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the UK.

4	Operating profit/(loss)	2017 £	2016 £
	Operating profit is after charging/(crediting):		
	Depreciation of intangible fixed assets	63,579	1,123,723
	Depreciation of tangible fixed assets	60,992	50,722
	Loss on disposal of tangible assets	6,706	12,766
	Defined contribution plans expenses	155,332	157,448
	Operating lease rentals	552,824	566,374
	Auditors' remuneration (Note 5)	14,400	17,306
		<u>          </u>	<u>          </u>

#### 5 Auditors' remuneration

	2017 £	2016 £
Auditors' remuneration – audit of the financial statements	14,400	17,306
	<u>          </u>	<u>          </u>

#### 6 Interest receivable and similar income

	2017 £	2016 £
Bank interest	-	1,187
	<u>          </u>	<u>          </u>

#### 7 Interest payable and similar charges

	2017 £	2016 £
Other interest	38	271
	<u>          </u>	<u>          </u>

**WESTMINSTER HOMECARE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**8 Employees**

**Number of employees** **2017** **2016**  
**Number** **Number**

The average monthly number of employees, including directors,  
during the period was as follows:

Administration	234	227
Carers and nursing staff	2,282	2,024
Management	30	33
	-----	-----
	<u>2,546</u>	<u>2,284</u>

**Employment costs** **2017** **2016**  
**£** **£**

Wages and salaries (including employers national insurance)	34,772,939	35,025,543
Pension costs	155,332	157,448
	-----	-----
	<u>34,928,271</u>	<u>35,182,991</u>

**8.1 Directors' remuneration**

**2017** **2016**  
**£** **£**

Remuneration and other emoluments	<u>157,500</u>	<u>45,000</u>
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# WESTMINSTER HOMECARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 9 Tax on profit on ordinary activities

Analysis of charge in period	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax	165,583	209,687
Total current tax charge	<u>165,583</u>	<u>209,687</u>
<b>Deferred tax</b>		
Timing differences, origination and reversal	(7,983)	9,698
Total deferred tax	<u>(7,983)</u>	<u>9,698</u>
Tax on profit on ordinary activities	<u><u>157,600</u></u>	<u><u>219,385</u></u>

#### Reconciliation of tax expense

	2017 £	2016 £
Profit/(loss) on ordinary activities before taxation	<u>751,527</u>	<u>(30,425)</u>
Profit on ordinary activities multiplied by main rate of Corporation tax in the UK of 19%	142,790	(6,085)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	20,671	216,597
Changes in rate of tax	2,122	-
Timing differences	(7,983)	8,873
Current tax charge for period	<u><u>157,600</u></u>	<u><u>219,385</u></u>

#### 10 Profit attributable to the shareholders of the holding company

The profit/(loss) dealt with in the financial statements of the parent company amounted to a profit of £593,927 (2016: loss of £808,895). The loss for the comparative period includes the impairment of investment in subsidiary undertaking of £551,333.

**WESTMINSTER HOMECARE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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**11 Intangible fixed assets**

<b>Group</b>	<b>Goodwill £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2017	10,383,628	10,383,628
At 31 December 2017	10,383,628	10,383,628
<b>Amortisation</b>		
At 1 January 2017	10,224,717	10,224,717
Charge for the year	63,579	63,579
At 31 December 2017	10,288,296	10,288,296
<b>Net book value</b>		
At 31 December 2017	95,332	95,332
At 31 December 2016	158,911	158,911

# WESTMINSTER HOMECARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 11a Intangible fixed assets

Company	Goodwill £	Total £
<b>Cost</b>		
At 1 January 2017	9,463,987	9,463,987
At 31 December 2017	9,463,987	9,463,987
<b>Amortisation</b>		
At 1 January 2017	9,305,059	9,305,059
Charge for year	63,579	63,579
At 31 December 2017	9,368,638	9,368,638
<b>Net book value</b>		
At 31 December 2017	95,349	95,349
At 31 December 2016	158,928	158,928

The Company's policy upon acquisition of a subsidiary is to transfer the trade and net assets of the newly-acquired subsidiary to the Company at book value. The initial cost of the Company's investment in the subsidiary undertaking reflects the underlying fair value of its net assets and goodwill at the time of its acquisition. As a result of the transfer, the value of the Company's investment in the subsidiary undertaking falls below the amount at which it is stated in the Company's accounting records. The Companies Act 2006 requires that the investment be written down accordingly and that the amount be charged as a loss in the Company's statement of income and retained earnings. However, the directors consider that, as there has been no overall loss to the Company, it would fail to give a true and fair view to charge the diminution to the Company's statement of income and retained earnings and it should instead be re-allocated to goodwill and the identifiable net assets transferred, so as to recognise, in the Company's individual statement of financial position, the effective cost to the Company of those net assets and goodwill. The effect on the Company's statement of financial position of this departure is to recognise goodwill at cost of £7,630,233 (2016: £7,630,233), less accumulated amortisation of £7,534,863 (2016: £7,471,285).

Given that the business concerned operates in a generally stable market, the directors have concluded that the estimated economic life of the resulting intangible asset is four years at the date the transfer took place. The asset is reviewed annually for impairment. The review at 31 December 2017 indicated that no impairment had arisen.

**WESTMINSTER HOMECARE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**12 Tangible fixed assets**

<b>Group</b>	<b>Land and buildings freehold</b>	<b>Leasehold improvements</b>	<b>Fixtures, fittings and equipment</b>	<b>Motor vehicles</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 January 2017	204,839	24,290	647,112	69,248	945,489
Additions	340,875	-	719	26,250	367,844
Disposals	-	-	(43,995)	(10,212)	(54,207)
At 31 December 2017	<u>545,714</u>	<u>24,290</u>	<u>603,836</u>	<u>85,286</u>	<u>1,259,126</u>
<b>Depreciation</b>					
At 1 January 2017	27,014	24,290	488,727	28,276	568,307
Disposals	-	-	(40,758)	(5,902)	(46,660)
Charge for the year	8,670	-	38,968	13,354	60,992
At 31 December 2017	<u>35,684</u>	<u>24,290</u>	<u>486,937</u>	<u>35,728</u>	<u>582,639</u>
<b>Net book value</b>					
At 31 December 2017	<u>510,030</u>	<u>-</u>	<u>116,899</u>	<u>49,558</u>	<u>676,487</u>
At 31 December 2016	<u>177,825</u>	<u>-</u>	<u>158,385</u>	<u>40,972</u>	<u>377,182</u>



**WESTMINSTER HOMECARE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**12a Tangible fixed assets**

Company	Land and buildings freehold £	Leasehold improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2017	204,839	24,290	1,004,224	69,668	1,303,021
Additions	340,875	-	719	26,250	367,844
Disposals	-	-	(43,995)	(10,212)	(54,207)
At 31 December 2017	<u>545,714</u>	<u>24,290</u>	<u>960,948</u>	<u>85,706</u>	<u>1,616,658</u>
<b>Depreciation</b>					
At 1 January 2017	27,014	24,290	845,839	28,696	925,839
Charge for the year	8,670	-	38,968	13,354	60,992
Disposals	-	-	(40,758)	(5,902)	(46,660)
At 31 December 2017	<u>35,684</u>	<u>24,290</u>	<u>844,049</u>	<u>36,148</u>	<u>940,171</u>
<b>Net book value</b>					
At 31 December 2017	<u>510,030</u>	-	<u>116,899</u>	<u>49,558</u>	<u>676,487</u>
At 31 December 2016	<u>177,825</u>	-	<u>158,385</u>	<u>40,972</u>	<u>377,182</u>

**WESTMINSTER HOMECARE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**13 Fixed asset investments**

<b>Company</b>	<b>Subsidiary undertakings shares £</b>	<b>Total £</b>
<b>Cost</b>		
At 1 January 2017	1,020	1,020
At 31 December 2017	<u>1,020</u>	<u>1,020</u>
<b>Net book value</b>		
At 31 December 2017	<u>1,020</u>	<u>1,020</u>
At 31 December 2016	<u>1,020</u>	<u>1,020</u>

The company holds 20% or more of the share capital of the following companies:

<b>Company Subsidiary undertaking</b>	<b>Country of incorporation</b>	<b>Shares held Class</b>	<b>Proportion Held</b>	<b>Nature of Business</b>
Independent Living Network East Limited	England & Wales	Ordinary	100%	Dormant
Care In The Home Limited	England & Wales	Ordinary	100%	Dormant
Home Choice Care Limited	England & Wales	Ordinary	100%	Dormant
National Medicare Limited	England & Wales	Ordinary	100%	Dormant

**14 Debtors**

<b>Group</b>	<b>2017 £</b>	<b>2016 £</b>
Trade debtors	6,029,065	6,804,919
Other debtors	104,806	237,993
Prepayments and accrued income	84,444	94,489
	<u>6,218,315</u>	<u>7,137,401</u>

**WESTMINSTER HOMECARE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>14a</b>	<b>Debtors</b>		
	<b>Company</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Trade debtors	6,029,065	6,804,919
	Other debtors	104,806	237,993
	Prepayments and accrued income	84,427	94,489
		<u>6,218,298</u>	<u>7,137,401</u>
<b>15</b>	<b>Creditors: amounts falling due within one year</b>		
	<b>Group</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Trade creditors	766,472	621,519
	Corporation tax	72,973	32,640
	Other creditors	2,223,637	2,341,686
	Accruals and deferred income	62,047	113,565
		<u>3,125,129</u>	<u>3,109,410</u>
<b>15a</b>	<b>Creditors: amounts falling due within one year</b>		
	<b>Company</b>	<b>2017</b>	<b>2016</b>
		<b>£</b>	<b>£</b>
	Trade creditors	766,472	621,519
	Amounts owed to group undertakings	11,618	12,642
	Corporation tax	72,973	-
	Other creditors	2,223,637	2,341,686
	Accruals and deferred income	61,830	113,365
		<u>3,136,530</u>	<u>3,089,212</u>
<b>16</b>	<b>Provisions for liabilities</b>	<b>Deferred Taxation</b>	<b>Total</b>
	<b>Group</b>	<b>(Note 17)</b>	<b>£</b>
		<b>£</b>	<b>£</b>
	At 1 January 2017	20,774	20,774
	Movements in the year	(7,983)	(7,983)
	At 31 December 2017	<u>12,791</u>	<u>12,791</u>

**WESTMINSTER HOMECARE LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>16a</b>	<b>Provisions for liabilities</b>	<b>Deferred Taxation</b>	<b>Total</b>
	<b>Company</b>	<b>£</b>	<b>£</b>
	At 1 January 2017	20,774	20,774
	Movements in the year	(7,983)	(7,983)
	At 31 December 2017	<u>12,791</u>	<u>12,791</u>
<b>17</b>	<b>Deferred taxation</b>		
	<b>Group</b>	<b>2017 £</b>	<b>2016 £</b>
	Accelerated capital allowances	<u>12,791</u>	<u>20,774</u>
	Provision at 1 January 2017	20,774	
	Credit to income statement	(7,983)	
	Provision at 31 December 2017	<u>12,791</u>	
<b>18</b>	<b>Share capital</b>	<b>2017 £</b>	<b>2016 £</b>
	<b>Allotted, called up and fully paid equity</b>		
	166,666 "A" Ordinary shares of £1 each	166,666	166,666
	83,334 "B" Ordinary shares of £1 each	83,334	83,334
		<u>250,000</u>	<u>250,000</u>

# WESTMINSTER HOMECARE LIMITED

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 19 Operating leases

##### The company as lessee

The total minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Not later than 1 year	353,660	381,761
Later than 1 year and not later than 5 years	299,394	322,479
Later than 5 years	92,500	290,250
	<u>745,554</u>	<u>994,490</u>

#### 20 Directors advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	2017		
	Balance brought forward £	Credits from the directors £	Balance carried forward £
S C Radia	104,753	(6,524)	98,229
	<u>104,753</u>	<u>(6,524)</u>	<u>98,229</u>

#### 21 Related party transactions

The group has taken advantage of the exemption not to disclose transactions or balances between group entities that have been eliminated on consolidation.