

Company number: 03353584

**WESTMINSTER HOMECARE LIMITED
STRATEGIC REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**



WESTMINSTER HOMECARE LIMITED

COMPANY INFORMATION

Directors	J M Patel S C Radia
Secretary	S.M Patel
Company number	03353584
Registered office	Suite C, Symal House 423 Edgware Road London NW9 0HU
Auditors	Leftley Rowe and Company Second Floor 87 Kenton Road Harrow Middlesex HA3 0AH
Bankers	HSBC Bank Plc 584 High Road Wembley Middlesex HA0 2DB

WESTMINSTER HOMECARE LIMITED

CONTENTS

	Page
Strategic report	1 – 2
Directors' report	3 – 4
Independent auditors' report to the shareholders	5 – 8
Consolidated statement of income and retained earnings	9
Consolidated statement of financial position	10
Company statement of financial position	11
Consolidated statement of cash flows	12
Notes to the consolidated financial statements	13 – 27

WESTMINSTER HOMECARE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The principal activity of the Company is the 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 2018 were £37.9m compared to £39.6m in 2017. The pressure on operating margins has continued to be severe due to wage costs and operational overheads.

The Company welcomes 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 delayed increases in the fee rates has led to significant margin pressures.

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 £37,854,962, a decrease of 4.4% from £39,599,063 in 2017. EBITDA for 2018 was £625,768 compared to £882,842 for 2017.

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 and various other debtors and creditors that arise directly from its operations.

The group maintains a strong cash position. 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 2018

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 throughout the business and 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 18 July 2019 and signed on its behalf by



S C Radia
Director

WESTMINSTER HOMECARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report together with the audited financial statements of the company and the group for the year ended 31 December 2018.

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 2018

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(2) of the Companies Act 2006.

This report was approved by the board of directors on 18 July 2019 and signed on behalf of the board by:



S C Radia
Director

WESTMINSTER HOMECARE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF WESTMINSTER HOMECARE LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2018

Opinion

We have audited the financial statements of Westminster Homecare Limited for the year ended 31 December 2018, which comprise the group statement of income and retained earnings, the group and company statement of financial position, the group statement of cash flows 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 company's affairs as at 31 December 2018 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 2018

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 company's 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 2018

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:

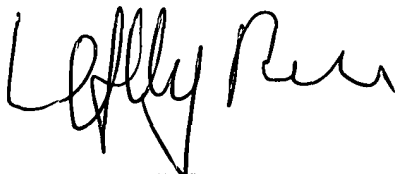
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 2018

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

Second Floor

87 Kenton Road

Harrow

Middlesex

HA3 0AH

18 July 2019

WESTMINSTER HOMECARE LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Turnover	4	37,854,962	39,599,063
Cost of sales		(28,465,779)	(29,615,319)
Gross profit		<u>9,389,183</u>	<u>9,983,744</u>
Distribution costs		(6,461,328)	(6,602,940)
Administrative expenses		(2,427,297)	(2,629,239)
Operating profit	5	<u>500,558</u>	<u>751,565</u>
Interest receivable and similar income	8	12,782	-
Interest payable and similar charges	9	(476)	(38)
Profit before taxation		<u>512,864</u>	<u>751,527</u>
Tax on profit	10	(111,158)	(157,600)
Profit for the financial year and total comprehensive income		<u>401,706</u>	<u>593,927</u>
Retained earnings at the start of the year		<u>5,145,286</u>	<u>4,551,359</u>
Retained earnings at the end of the year		<u>5,546,992</u>	<u>5,145,286</u>

All the activities of the group are from continuing operations.

The notes form an integral part of these financial statements.

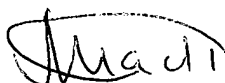
WESTMINSTER HOMECARE LIMITED

Company number: 03353584

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2018**

	Notes	£	2018 £	£	2017 £
Fixed assets					
Intangible assets	12		31,770		95,332
Tangible assets	13		630,434		676,487
			<u>662,204</u>		<u>771,819</u>
Current assets					
Debtors	15	4,702,808		6,218,315	
Cash at bank and in hand		3,774,271		1,543,072	
		<u>8,477,079</u>		<u>7,761,387</u>	
Creditors: amounts falling due within one year	16	(3,334,148)		(3,125,129)	
Net current assets			<u>5,142,931</u>		<u>4,636,258</u>
Total assets less current liabilities			<u>5,805,135</u>		<u>5,408,077</u>
Provision for liabilities	17		(8,143)		(12,791)
Net assets			<u>5,796,992</u>		<u>5,395,286</u>
Capital and reserves					
Called up share capital	19		250,000		250,000
Profit and loss account			5,546,992		5,145,286
Shareholders' funds			<u>5,796,992</u>		<u>5,395,286</u>

The financial statements were approved by the Board of directors and authorised for issue on 18 July 2019 and are signed on behalf of the board by:



S C Radia
Director

The notes form an integral part of these financial statements.

WESTMINSTER HOMECARE LIMITED

Company number: 03353584

COMPANY STATEMENT OF FINANCIAL POSITION**AS AT 31 DECEMBER 2018**

		2018		2017	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	12a		31,770		95,349
Tangible assets	13a		630,434		676,487
Investments	14		1,020		1,020
			<u>663,224</u>		<u>772,856</u>
Current assets					
Debtors	15a	4,702,808		6,218,298	
Cash at bank and in hand		3,774,271		1,543,072	
		<u>8,477,079</u>		<u>7,761,370</u>	
Creditors: amounts falling due within one year	16a	(3,345,549)		(3,136,530)	
Net current assets			<u>5,131,530</u>		<u>4,624,840</u>
Total assets less current liabilities			<u>5,794,754</u>		<u>5,397,696</u>
Provisions for liabilities	17		(8,143)		(12,791)
Net assets			<u>5,786,611</u>		<u>5,384,905</u>
Capital and reserves					
Called up share capital	19		250,000		250,000
Profit and loss account			5,536,611		5,134,905
Shareholders' funds			<u>5,786,611</u>		<u>5,384,905</u>

The financial statements were approved by the board of directors and authorised for issue on 18 July 2019 and are signed on behalf of the board by:



S C Radia
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 2018

	2018	2017
	£	£
Cash flows from operating activities		
Profit for the financial year	401,706	593,927
Adjustments for:		
Depreciation of tangible assets	52,075	60,992
Amortisation of intangible assets	63,562	63,579
Other interest receivable and similar income	(12,782)	-
Interest payable and similar charges	476	38
Loss on disposal of tangible assets	9,573	6,706
Tax on profit	111,158	157,600
Changes in:		
Trade and other debtors	1,515,507	919,086
Trade and other creditors	166,198	(24,614)
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Cash generated from operations	2,307,473	1,777,314
Interest paid	(476)	(38)
Interest received	12,782	-
Tax paid	(72,985)	(125,250)
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Net cash from operating activities	2,246,794	1,652,026
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Cash flows from investing activities		
Purchase of tangible fixed assets	(23,095)	(367,844)
Proceeds from sale of tangible assets	7,500	841
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Net cash used in investing activities	(15,595)	(367,003)
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Cash flows from financing activities		
Dividends paid	-	-
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Net cash used in financing activities	-	-
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>
Net increase in cash and cash equivalents	2,231,199	1,285,023
Cash and cash equivalents at beginning of year	1,543,072	258,049
	<hr style="border-top: 1px solid black;"/>	<hr style="border-top: 1px solid black;"/>
Cash and cash equivalents at end of year	3,774,271	1,543,072
	<hr style="border-top: 3px double black;"/>	<hr style="border-top: 3px double black;"/>

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 2018

1 General information

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

2 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'.

3 Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

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 2018. 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 2018

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 ten years.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 25% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

WESTMINSTER HOMECARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Freehold property	-	2% straight line
Fixtures, fittings and equipment	-	25% reducing balance
Motor vehicles	-	25% reducing balance

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

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.

WESTMINSTER HOMECARE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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.

WESTMINSTER HOMECARE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

4 Turnover

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

5	Operating profit	2018 £	2017 £
	Operating profit is after charging/(crediting):		
	Amortisation of intangible fixed assets	63,562	63,579
	Depreciation of tangible fixed assets	52,075	60,992
	Loss on disposal of tangible assets	9,573	6,706
	Defined contribution plans expenses	267,920	155,332
	Operating lease rentals	543,059	552,824
	Fees payable for the audit of the financial statements	15,600	14,400
		<u>15,600</u>	<u>14,400</u>

6 Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2018 Number	2017 Number
Administration	198	234
Carers and nursing staff	2,600	2,282
Management	25	30
	<u>2,823</u>	<u>2,546</u>

The aggregate payroll costs incurred during the year were:

	2018 £	2017 £
Wages and salaries (including employers' national insurance)	33,344,143	34,772,939
Pension costs	267,920	155,332
	<u>33,612,063</u>	<u>34,928,271</u>

WESTMINSTER HOMECARE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Directors remuneration

The directors aggregated remuneration in respect of qualifying services was:

	2018 £	2017 £
Remuneration and other emoluments	<u>80,569</u>	<u>157,500</u>

8 Interest receivable and similar income

	2018 £	2017 £
Bank deposits	<u>12,782</u>	<u>-</u>

9 Interest payable and similar charges

	2018 £	2017 £
Other interest payable and similar expenses	<u>476</u>	<u>38</u>

WESTMINSTER HOMECARE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Tax on profit

Major components of tax expense	2018	2017
	£	£
Current tax		
UK current tax expense	115,794	165,583
Adjustments in respect of previous periods	12	-
Total UK current tax	115,806	165,583
Deferred tax		
Timing differences, origination and reversal	(4,648)	(7,983)
Total deferred tax	(4,648)	(7,983)
Tax on profit	111,158	157,600

Reconciliation of tax expense

	2018	2017
	£	£
Profit before taxation	512,864	751,527
Profit multiplied by rate of tax (19%)	97,444	142,790
Expenses not deductible for tax purposes	13,699	13,727
Adjustments to tax charge in respect of previous periods	12	-
Timing differences	3	(1,039)
Changes in rate of tax	-	2,122
Tax on profit	111,158	157,600

11 Profit attributable to the shareholders of the holding company

The profit dealt with in the financial statements of the parent company amounted to £401,706 (2017: £593,927).

WESTMINSTER HOMECARE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

12 Intangible assets

Group	Goodwill £	Total £
Cost		
At 1 January 2018	10,383,628	10,383,628
At 31 December 2018	<u>10,383,628</u>	<u>10,383,628</u>
Amortisation		
At 1 January 2018	10,288,296	10,288,296
Charge for the year	63,562	63,562
At 31 December 2018	<u>10,351,858</u>	<u>10,351,858</u>
Carrying amount		
At 31 December 2018	<u>31,770</u>	<u>31,770</u>
At 31 December 2017	<u>95,332</u>	<u>95,332</u>

WESTMINSTER HOMECARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12a Intangible assets

Company	Goodwill	Total
	£	£
Cost		
At 1 January 2018	9,463,987	9,463,987
At 31 December 2018	<u>9,463,987</u>	<u>9,463,987</u>
Amortisation		
At 1 January 2018	9,368,638	9,368,638
Charge for year	63,579	63,579
At 31 December 2018	<u>9,432,217</u>	<u>9,432,217</u>
Carrying amount		
At 31 December 2018	<u>31,770</u>	<u>31,770</u>
At 31 December 2017	<u>95,349</u>	<u>95,349</u>

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 (2017: £7,630,233), less accumulated amortisation of £7,598,463 (2017: £7,534,863).

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 2018 indicated that no impairment had arisen.

WESTMINSTER HOMECARE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

13 Tangible assets

Group	Freehold property	Leasehold property	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2018	545,714	24,290	603,836	85,286	1,259,126
Additions	-	-	8,104	14,991	23,095
Disposals	(7,500)	-	(43,995)	(18,490)	(69,985)
At 31 December 2018	<u>538,214</u>	<u>24,290</u>	<u>567,945</u>	<u>81,787</u>	<u>1,212,236</u>
Depreciation					
At 1 January 2018	35,684	24,290	486,937	35,728	582,639
Disposals	-	-	(41,636)	(11,276)	(52,912)
Charge for the year	8,521	-	30,001	13,553	52,075
At 31 December 2018	<u>44,205</u>	<u>24,290</u>	<u>475,302</u>	<u>38,005</u>	<u>581,802</u>
Carrying amount					
At 31 December 2018	<u>494,009</u>	<u>-</u>	<u>92,643</u>	<u>43,782</u>	<u>630,434</u>
At 31 December 2017	<u>510,030</u>	<u>-</u>	<u>116,899</u>	<u>49,558</u>	<u>676,487</u>

WESTMINSTER HOMECARE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

13a Tangible assets

Company	Land and buildings freehold £	Leasehold improvements £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost					
At 1 January 2018	545,714	24,290	960,948	85,706	1,616,658
Additions	-	-	8,104	14,991	23,095
Disposals	(7,500)	-	(401,107)	(18,910)	(427,517)
At 31 December 2018	<u>538,214</u>	<u>24,290</u>	<u>567,945</u>	<u>81,787</u>	<u>1,212,236</u>
Depreciation					
At 1 January 2018	35,684	24,290	844,049	36,148	940,171
Charge for the year	8,521	-	30,001	13,553	52,075
Disposals	-	-	(398,748)	(11,696)	(410,444)
At 31 December 2018	<u>44,205</u>	<u>24,290</u>	<u>475,302</u>	<u>38,005</u>	<u>581,802</u>
Carrying amount					
At 31 December 2018	<u>494,009</u>	<u>-</u>	<u>92,643</u>	<u>43,782</u>	<u>630,434</u>
At 31 December 2017	<u>510,030</u>	<u>-</u>	<u>116,899</u>	<u>49,558</u>	<u>676,487</u>

WESTMINSTER HOMECARE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

14 Investments

	Shares in group undertakings £	Total £
Cost		
At 1 January 2018	1,020	1,020
At 31 December 2018	<u>1,020</u>	<u>1,020</u>
Carrying amount		
At 31 December 2018	<u>1,020</u>	<u>1,020</u>
At 31 December 2017	<u>1,020</u>	<u>1,020</u>

Investments in group undertakings

Subsidiary undertakings	Registered office	Class of share	Percentage of shares held
Independent Living Network East Limited	England & Wales	Ordinary	100%
Care In The Home Limited	England & Wales	Ordinary	100%
Home Choice Care Limited	England & Wales	Ordinary	100%
National Medicare Limited	England & Wales	Ordinary	100%

15 Debtors

Group	2018 £	2017 £
Trade debtors	4,556,367	6,029,065
Other debtors	93,901	104,806
Prepayments and accrued income	52,540	84,444
	<u>4,702,808</u>	<u>6,218,315</u>

WESTMINSTER HOMECARE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

15a	Debtors	2018	2017
	Company	£	£
	Trade debtors	4,556,367	6,029,065
	Other debtors	93,901	104,806
	Prepayments and accrued income	52,540	84,427
		<u>4,702,808</u>	<u>6,218,298</u>
16	Creditors: amounts falling due within one year	2018	2017
	Group	£	£
	Trade creditors	374,412	766,472
	Corporation tax	115,794	72,973
	Other creditors	2,763,975	2,223,637
	Accruals and deferred income	79,967	62,047
		<u>3,334,148</u>	<u>3,125,129</u>
16a	Creditors: amounts falling due within one year	2018	2017
	Company	£	£
	Trade creditors	374,412	766,472
	Amounts owed to group undertakings	11,618	11,618
	Corporation tax	115,794	72,973
	Other creditors	2,763,975	2,223,637
	Accruals and deferred income	79,750	61,830
		<u>3,345,549</u>	<u>3,136,530</u>
17	Provisions	Deferred taxation (Note 18) £	Total £
	At 1 January 2018	12,791	12,791
	Movements in the year	(4,648)	(4,648)
	At 31 December 2018	<u>8,143</u>	<u>8,143</u>

WESTMINSTER HOMECARE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

18. Deferred taxation

	2018 £	2017 £
Accelerated capital allowances	<u>8,143</u>	<u>12,791</u>
Provision at 1 January 2018	12,791	
Credit to income statement	<u>(4,648)</u>	
Provision at 31 December 2018	<u>8,143</u>	

19. Share capital

	2018 £	2017 £
Allotted, called up and fully paid equity		
166,666 "A" Ordinary shares of £1 each	166,666	166,666
83,334 "B" Ordinary shares of £1 each	<u>83,334</u>	<u>83,334</u>
	<u>250,000</u>	<u>250,000</u>

20. Operating leases

The company as lessee

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

	2018 £	2017 £
Not later than 1 year	424,241	353,660
Later than 1 year and not later than 5 years	762,088	299,394
Later than 5 years	92,500	92,500
	<u>1,278,829</u>	<u>745,554</u>

WESTMINSTER HOMECARE LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

21 Directors advances, credits and guarantees

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

	2018		
	Balance brought forward £	Credits to the directors £	Balance outstanding £
S C Radia	<u>98,229</u>	<u>(21,533)</u>	<u>76,696</u>

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

22 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.