Company registration number: 03353584

Westminster Homecare Limited

Financial statements

31 December 2019

Westminster Homecare Limited

Contents

Westminster Homecare Limited

Directors and other 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
Auditor	Leftley Rowe & Company Second Floor 87 Kenton Road Harrow Middlesex HA3 0AH

Bankers	HSBC Bank Plc 584 High Road Wembley Middlesex HA0 2DB

Westminster Homecare Limited

Strategic report

Year ended 31 December 2019

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.

Review of business

Total revenues for 2019 were £38.5m compared to £37.9m in 2018. The pressure on operating margins has continued to be severe due to wage costs and operational overheads.

The Company has been welcoming of 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 meant continued significant margin pressures.

The directors consider turnover and earnings before interest, tax, depreciation and amortisation (EBITDA) to be the main key performance indicators for the business. Turnover for the year was £38,512,581, an increase of 1.7% from £37,854,962 in 2018. EBITDA for 2019 was £1,889,558 compared to £625,785 for 2018.

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 Statement of income and retained earnings.

Coronavirus

In March 2020 the UK was hit by the full impact of the global Coronavirus Covid-19 pandemic, which in turn has had a severe effect on the entire UK economy. Up to the date of this report the pandemic remains prevalent throughout the country.

The Covid-19 pandemic has impacted homecare services in several ways from organising the delivery of care in the community, procuring PPE, protecting the front-line staff and ensuring that funding was in place. Working in partnership with the Local Authorities, Health Authorities and our suppliers with tremendous commitment and support from all our staff, the directors are pleased to report that we have been able to deliver a good service to all our vulnerable adults and older people in the community.

However, maintaining the service at a similar level will require continued additional funding from central and local governments, as the Company and the social care sector face increased costs and new challenges.

Other principal risks and uncertainties

The company maintains a strong cash position. The directors therefore do not consider financial risks to be significant.The Company is exposed to risk related to non-renewal of major contracts and loss of key operational staff. The company has a good contract renewal record. Also, in order to mitigate any loss, it maintains a pipeline of new tender applications with good success rate. The company has a good retention rate amongst its key operational staff.

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 company'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.

The directors also recognise that the continued position of the company in the health and social care industry depends on the quality and motivation of its employees and as such the company 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 company's business aims and performance. This is achieved through a variety of communication approaches for each branch.

This report was approved by the board of directors on 17 September 2020 and signed on behalf of the board by:

S C Radia

Director

Westminster Homecare Limited

Directors report

Year ended 31 December 2019

The directors present their report and the financial statements of the company for the year ended 31 December 2019.

Directors

The directors who served the company during the year were as follows:

J M Patel
S C Radia

Dividends

The directors do not recommend the payment of a dividend.

Events after the end of the reporting period

Particulars of events after the reporting period are detailed in note 21 to the financial statements.

Disclosure of information in the 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.

Directors responsibilities statement

The directors are responsible for preparing the strategic report, 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 profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;

- make judgments 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 company's transactions and disclose with reasonable accuracy at any time the financial position of 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

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 auditor is 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 auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487(2) of the Companies Act 2006.

This report was approved by the board of directors on 17 September 2020 and signed on behalf of the board by:

S C Radia

Director

Independent auditor's report to the members of

Westminster Homecare Limited

Year ended 31 December 2019

Opinion

We have audited the financial statements of Westminster Homecare Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, statement of financial position, 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 FRS 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 company's affairs as at 31 December 2019 and of its 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 adopt 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.

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.

Opinions 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 year for which the financial statements are prepared is consistent with the financial statements; and

- the strategic report 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 the 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 or 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, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and the 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 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 judgment 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. 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.

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Christopher Andrews ACA (Senior Statutory Auditor)

For and on behalf of

Leftley Rowe & Company

Chartered Accountants and Statutory Auditors

Second Floor

87 Kenton Road

Harrow

Middlesex

HA3 0AH

17 September 2020

Westminster Homecare Limited

Statement of income and retained earnings

Year ended 31 December 2019

	Note	2019	2018
		£	£
Turnover	4	38,512,581	37,854,962
Cost of sales		(28,533,141)	(28,465,779)
Gross profit		9,979,440	9,389,183
Distribution costs		(5,890,682)	(6,461,328)
Administrative expenses		(2,273,310)	(2,427,297)
Operating profit	5	1,815,448	500,558
Other interest receivable and similar income	8	43,248	12,782
Interest payable and similar expenses	9	-	(476)
Profit before taxation		1,858,696	512,864
Tax on profit	10	(360,779)	(111,158)
Profit for the financial year and total comprehensive income		1,497,917	401,706
Retained earnings at the start of the year		5,536,611	5,134,905
Retained earnings at the end of the year		7,034,528	5,536,611

All the activities of the company are from continuing operations.

Westminster Homecare Limited

Statement of financial position

31 December 2019

	Note	2019 £	£	2018 £	£
Fixed assets					
Intangible assets	**11**	1		31,770	
Tangible assets	**12**	597,541		630,434	
Investments	**13**	1,020		1,020	
			598,562		663,224
Current assets					
Debtors	**14**	3,863,828		4,702,808	
Cash at bank and in hand		5,686,490		3,774,271	
		9,550,318		8,477,079	
Creditors: amounts falling due within one year	**15**	(2,858,395)		(3,345,549)	
Net current assets			6,691,923		5,131,530
Total assets less current liabilities			7,290,485		5,794,754
Provisions for liabilities	**16**		(5,957)		(8,143)
Net assets			7,284,528		5,786,611
Capital and reserves					
Called up share capital	**19**		250,000		250,000
Profit and loss account			7,034,528		5,536,611
Shareholders funds			7,284,528		5,786,611

These financial statements were approved by the board of directors and authorised for issue on 17 September 2020 , and are signed on behalf of the board by:

S C Radia

Director

Company registration number: 03353584

Westminster Homecare Limited

Statement of cash flows

Year ended 31 December 2019

	2019	2018
	£	£
Cash flows from operating activities		
Profit for the financial year	1,497,917	401,706
Adjustments for:		
Depreciation of tangible assets	42,100	52,075
Amortisation of intangible assets	31,769	63,579
Other interest receivable and similar income	(43,248)	(12,782)
Interest payable and similar expenses	-	476
Gain/(loss) on disposal of tangible assets	241	9,573
Tax on profit	360,779	111,158
Changes in:		
Trade and other debtors	838,980	1,515,490
Trade and other creditors	(734,325)	166,198
Cash generated from operations	1,994,213	2,307,473
Interest paid	-	(476)
Interest received	43,248	12,782
Tax paid	(115,794)	(72,985)
Net cash from operating activities	1,921,667	2,246,794
Cash flows from investing activities		
Purchase of tangible assets	(15,433)	(23,095)
Proceeds from sale of tangible assets	5,985	7,500
Net cash used in investing activities	(9,448)	(15,595)
Cash flows from financing activities		
Net cash from financing activities	-	-
Net increase/(decrease) in cash and cash equivalents	1,912,219	2,231,199
Cash and cash equivalents at beginning of year	3,774,271	1,543,072
Cash and cash equivalents at end of year	5,686,490	3,774,271

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, Suite C, 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 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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer, usually on despatch of the goods; the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

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.

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 or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2 % straight line
Fittings fixtures 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. For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

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 or either assessed individually or grouped on the basis of similar credit risk characteristics.

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.

4. Turnover

Turnover arises from:

	2019	2018
	£	£
Rendering of services	38,512,581	37,854,962

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Operating profit

Operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Amortisation of intangible assets	31,769	63,579
Depreciation of tangible assets	42,100	52,075
Loss on disposal of tangible assets	241	9,573
Operating lease rentals	538,723	543,059
Fees payable for the audit of the financial statements	14,726	15,600

6. Staff costs

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

	2019	2018
Administration	206	216
Carers and nursing staff	1,810	2,101
Management	35	34
	2,051	2,351

The aggregate payroll costs incurred during the year were:

	2019	2018
	£	£
Wages and salaries	32,825,942	33,344,143
Other pension costs	418,296	267,920
	33,244,238	33,612,063

7. Directors remuneration

The directors aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	80,160	80,569

8. Other interest receivable and similar income

	2019	2018
	£	£
Bank deposits	43,248	12,782

9. Interest payable and similar expenses

	2019	2018
	£	£
Other interest payable and similar expenses	-	476

10. Tax on profit

Major components of tax expense

	2019	2018
	£	£
Current tax:		
UK current tax expense	362,965	115,794
Adjustments in respect of previous periods	-	12
Total UK current tax	362,965	115,806
Deferred tax:		
Origination and reversal of timing differences	(2,186)	(4,648)
Tax on profit	360,779	111,158

Reconciliation of tax expense

The tax assessed on the profit for the year is higher than (2018: higher than) the standard rate of corporation tax in the UK of 19 % (2018: 19%).

	2019	2018
	£	£
Profit before taxation	1,858,696	512,864
Profit multiplied by rate of tax	353,152	97,444
Adjustments in respect of prior periods	-	12
Effect of expenses not deductible for tax purposes	7,627	13,699
Timing differences	-	3
Tax on profit	360,779	111,158

11. Intangible assets

	Goodwill	**Total**
	£	**£**
Cost		
At 1 January 2019 and 31 December 2019	9,463,987	9,463,987
Amortisation		
At 1 January 2019	9,432,217	9,432,217
Charge for the year	31,769	31,769
At 31 December 2019	9,463,986	9,463,986
Carrying amount		
At 31 December 2019	1	1
At 31 December 2018	31,770	31,770

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 (2018: £7,630,233), less accumulated amortisation of £7,630,232 (2018: £7,598,463).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 2019 indicated that no impairment had arisen.

12. Tangible assets

	Freehold property	Short leasehold property	Fixtures, fittings and equipment	Motor vehicles	**Total**
	£	£	£	£	**£**
Cost					
At 1 January 2019	538,214	24,290	567,945	81,787	1,212,236
Adjustment	-	-	357,112	420	357,532
Additions	-	-	4,779	10,654	15,433
Disposals	-	-	-	(14,690)	(14,690)
At 31 December 2019	538,214	24,290	929,836	78,171	1,570,511
Depreciation					
At 1 January 2019	44,205	24,290	475,302	38,005	581,802
Adjustment	-	-	357,112	420	357,532
Charge for the year	8,376	-	23,849	9,875	42,100
Disposals	-	-	-	(8,464)	(8,464)
At 31 December 2019	52,581	24,290	856,263	39,836	972,970
Carrying amount					
At 31 December 2019	485,633	-	73,573	38,335	597,541
At 31 December 2018	494,009	-	92,643	43,782	630,434

13. Investments

	Shares in group undertakings	**Total**
	£	**£**
Cost		
At 1 January 2019 and 31 December 2019	1,020	1,020
Impairment		
At 1 January 2019 and 31 December 2019	-	-
Carrying amount		
At 31 December 2019	1,020	1,020
At 31 December 2018	1,020	1,020

Investments in group undertakings

	Registered office	Class of share	Percentage of shares held
Subsidiary undertakings			
National Medicare Limited	England & Wales	Ordinary	100
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

14. Debtors

	2019	2018
	£	£
Trade debtors	3,763,570	4,556,367
Prepayments and accrued income	20,054	52,540
Other debtors	80,204	93,901
	3,863,828	4,702,808

15. Creditors: amounts falling due within one year

	2019	2018
	£	£
Trade creditors	117,454	374,412
Amounts owed to group undertakings	11,417	11,618
Accruals and deferred income	82,733	79,750
Corporation tax	362,965	115,794
Other creditors	2,283,826	2,763,975
	2,858,395	3,345,549

16. Provisions

	Deferred tax (note 17)	**Total**
	£	**£**
At 1 January 2019	8,143	8,143
Additions/(release)	(2,186)	(2,186)
At 31 December 2019	5,957	5,957

17. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2019	2018
	£	£
Included in provisions (note 16)	5,957	8,143

The deferred tax account consists of the tax effect of timing differences in respect of:

	2019	2018
	£	£
Accelerated capital allowances	5,957	8,143

18. Employee benefits

The amount recognised in profit or loss in relation to defined contribution plans was £ 418,296 (2018: £ 267,920).

19. Called up share capital

Issued, called up and fully paid

	2019		2018	
	No	**£**	No	£
"A" Ordinary shares of £ 1.00 each	166,667	166,667	166,667	166,667
"B" Ordinary shares of £ 1.00 each	83,333	83,333	83,333	83,333
	250,000	250,000	250,000	250,000

20. Operating leases

The company as lessee

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

	£	£
Not later than 1 year	333,584	424,241
Later than 1 year and not later than 5 years	157,016	762,088
Later than 5 years	179,731	92,500
	670,331	1,278,829

21. Events after the end of the reporting period

In March 2020 the UK was hit by the full impact of the global Coronavirus Covid-19 pandemic, which in turn has had a severe effect on the entire UK economy. Up to the date of approval of these financial statements the pandemic remains prevalent throughout the country.The Covid-19 pandemic has impacted homecare services in several ways from organising the delivery of care in the community, procuring PPE, protecting the front-line staff and ensuring that funding was in place. The company has worked together with the Local Authorities, Health Authorities and its suppliers, along with tremendous commitment and support from all the company's employees, and has been able to maintain delivery of a good service where needed in the community.The directors are aware that continuing to maintain the service at similar levels moving forward will require a continued additional funding from central and local government, as the company faces increased costs and new challenges.

22. Directors advances, credits and guarantees

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

2019

	Balance brought forward	Advances /(credits) to the directors	Balance o/standing
	£	**£**	**£**
S C Radia	76,696	330	77,026

2018

	Balance brought forward	Advances /(credits) to the directors	Balance o/standing
	£	£	£
S C Radia	98,229	(21,533)	76,696