

Company Registration No. 04159705 (England and Wales)

ALI WAL HEALTHCARE LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

KLSA
Chartered Accountants

PKF
Member firm of PKF International Ltd

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ALI WAL HEALTHCARE LTD

COMPANY INFORMATION

| | |
|--------------------------|---|
| Director | Mr Osman Ertosun |
| Company number | 04159705 |
| Registered office | Kalamu House 11 Coldbath Square London England EC1R 5HL |
| Auditor | KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL |
| Bankers | Barclays Bank Plc 50 Pall Mall PO Box 15162 London SW1A 1QB |

ALI WAL HEALTHCARE LTD

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ALI WAL HEALTHCARE LTD

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The director presents his annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company continued to be that of the operation of a care home.

COVID-19 and Going Concern

The financial results for the year 2020/21 were in line with expectations. COVID-19 has had an impact on the care sector and the company has adapted policies and procedures in order to ensure that it complies with Government guidelines and to ensure the safety of residents, staff and visitors to the home. It is not anticipated that there will be any material impact on the performance of the business and we continue to partner effectively with local authority partners and other commissioning bodies. However, the full impact on the business will depend on the duration and progression of this pandemic and how deeply it impacts the economy. The range and uncertainty of any potential outcomes are too large to provide any meaningful quantification at this point.

The Director has assessed the value of reserves and the operations of the company and does not consider that there are material uncertainties related to events or conditions that cast significant doubts on the group's ability to continue as a going concern. The financial statements are therefore prepared on a going concern basis.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr Osman Ertosun

Auditor

The auditor, KLSA LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. He is 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

ALI WAL HEALTHCARE LTD

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

On behalf of the board



Mr Osman Ertosun
Director

1 December 2021

ALIWAL HEALTHCARE LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALIWAL HEALTHCARE LTD

Opinion

We have audited the financial statements of Aliwal Healthcare Ltd (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 March 2021 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

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

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

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

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 director is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

ALI WAL HEALTHCARE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALI WAL HEALTHCARE LTD

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 director's 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 returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations

To identify risks of material misstatement due to any irregularities, including fraud and non-compliance with laws and regulations, we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the operations of the company, financial statements including the Companies Act 2006, taxation legislation and data protection, employment, health and safety legislation and Care Quality Commission (Registration) Regulations 2009.

ALI WAL HEALTHCARE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALI WAL HEALTHCARE LTD

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

To address the risk of non-compliance with laws and regulations, we communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation (including payroll taxes) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: Care Quality Commission's Inspections and healthcare and safety legislation regulations. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards; for instance, any non-compliance with laws and regulations and fraud which is far removed from transactions reflected in the financial statements would diminish the likelihood of detection. Furthermore, the risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting one resulting from error.

Fraud may involve deliberate concealment by, for example, forgery or intentional omissions, misrepresentation, or through an act of collusion that would mitigate internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

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

ALI WAL HEALTHCARE LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF ALI WAL HEALTHCARE LTD

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 him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

KLSA LLP

**Shilpa Chheda (Senior Statutory Auditor)
For and on behalf of KLSA LLP**

1 December 2021

**Chartered Accountants
Statutory Auditor**

Kalamu House
11 Coldbath Square
London
EC1R 5HL

ALI WAL HEALTHCARE LTD

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £ | 2020 £ |
|--------------------------------------|-------|----------------|----------------|
| Turnover | 3 | 1,145,224 | 992,557 |
| Cost of sales | | (653,062) | (606,005) |
| Gross profit | | 492,162 | 386,552 |
| Distribution costs | | (8,884) | (16,139) |
| Administrative expenses | | (329,584) | (357,578) |
| Other operating income | | 79,739 | 70,649 |
| Exceptional item | 4 | (188,630) | - |
| Profit before taxation | | 44,803 | 83,484 |
| Tax on profit | 7 | (43,621) | (1,802) |
| Profit for the financial year | | 1,182 | 81,682 |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ALI WAL HEALTHCARE LTD

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

| | 2021 £ | 2020 £ |
|---|--------------|---------------|
| Profit for the year | 1,182 | 81,682 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>1,182</u> | <u>81,682</u> |

ALI WAL HEALTHCARE LTD

BALANCE SHEET

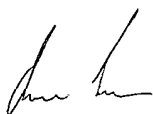
AS AT 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|------------------|------------------|--------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 8 | | 41,636 | | 40,429 |
| Current assets | | | | | |
| Stocks | 9 | 900 | | 900 | |
| Debtors | 10 | 65,840 | | 1,101,841 | |
| Cash at bank and in hand | | 9,316 | | 6,516 | |
| | | <u>76,056</u> | | <u>1,109,257</u> | |
| Creditors: amounts falling due within one year | 11 | <u>(241,044)</u> | | <u>(1,274,220)</u> | |
| Net current liabilities | | | <u>(164,988)</u> | | <u>(164,963)</u> |
| Net liabilities | | | <u>(123,352)</u> | | <u>(124,534)</u> |
| Capital and reserves | | | | | |
| Called up share capital | 13 | 10,000 | | 10,000 | |
| Profit and loss reserves | | <u>(133,352)</u> | | <u>(134,534)</u> | |
| Total equity | | | <u>(123,352)</u> | | <u>(124,534)</u> |

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 1 December 2021

Mr Osman Ertosun
Director



Company Registration No. 04159705

ALI WAL HEALTHCARE LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

| | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-----------------------|-------------------------------------|------------------|
| Balance at 1 April 2019 | 10,000 | (216,216) | (206,216) |
| Year ended 31 March 2020: | | | |
| Profit and total comprehensive income for the year | - | 81,682 | 81,682 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2020 | 10,000 | (134,534) | (124,534) |
| Year ended 31 March 2021: | | | |
| Profit and total comprehensive income for the year | - | 1,182 | 1,182 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2021 | <u>10,000</u> | <u>(133,352)</u> | <u>(123,352)</u> |

ALI WAL HEALTHCARE LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|---------------|-----------|-----------------|
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 17 | | 17,730 | | (6,215) |
| Income taxes paid | | | - | | (387) |
| | | | <u>17,730</u> | | <u>(6,602)</u> |
| Net cash inflow/(outflow) from operating activities | | | 17,730 | | (6,602) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (14,930) | | (16,941) | |
| Net cash used in investing activities | | | (14,930) | | (16,941) |
| | | | <u>2,800</u> | | <u>(23,543)</u> |
| Net increase/(decrease) in cash and cash equivalents | | | 2,800 | | (23,543) |
| Cash and cash equivalents at beginning of year | | | 6,516 | | 30,059 |
| Cash and cash equivalents at end of year | | | <u>9,316</u> | | <u>6,516</u> |

ALIWAL HEALTHCARE LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Aliwal Healthcare Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Kalamu House, 11 Coldbath Square, London, England, EC1R 5HL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

COVID-19 has had a material impact on the operations of my business. The director reviewed and assessed forecast cash flows including sensitivity to trading and expenditure plans, and for the potential impact of uncertainties including Brexit and the COVID-19 pandemic. The director also considered the company's financing facilities and future funding plans. Based on this, we confirmed that the application of the going concern basis for the preparation of the financial statements continued to be appropriate.

The company is financed by the operational profits and cashflow of the business.

At the time of approving the financial statements, the company has a net current liability of £164,988 (2020: £164,963) and a net liability of £123,352 (2020: £124,534).

In accordance with his responsibilities, the director has considered the appropriateness of the going concern basis for the preparation of the financial statements. For this basis he has reviewed the financial and cash flow projections for the next 12 months from the date of the approval of the financial statements.

The Director notes that should the company have insufficient working capital, the parent company will provide support to ensure that the company meets its financial obligations.

On the basis of this, the director has a reasonable expectation that the company will continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements. These financial statements are prepared on the going concern basis.

1.3 Turnover

Turnover represents fees receivable for care services. Turnover is recognised as it is incurred, either daily, weekly or monthly. Where charges are billed in advance these are recorded as deferred income.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|--------------------------------------|----------------------------|
| Land and buildings Leasehold | Over the term of the lease |
| Improvements to Leasehold Properties | Over the term of the lease |
| Fixtures, fittings & equipment | 25% on Reducing Balance |

ALI WAL HEALTHCARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Depreciation and residual values

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

De-recognition

Tangible assets are de-recognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks comprise food and consumables used for own consumption and are valued on a First In First Out (FIFO) basis and are carried out at the lower of cost and net realisable values.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

ALI WAL HEALTHCARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

ALI WAL HEALTHCARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and 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. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

ALI WAL HEALTHCARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of debtors

The company reviews their portfolio of trade debtors on an annual basis. In determining whether trade debtors are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows expected.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

Management reviews the useful lives and residual values of the tangible assets on a regular basis. During the financial year, the directors determined no significant changes in the useful lives and residual values.

Staff costs accrual

The monetary liability for employees' accrued holidays and management approved bonus at the reporting date is recognised as an expense accrual.

3 Turnover and other revenue

| | 2021 £ | 2020 £ |
|----------------------------------|-----------|-----------|
| Other significant revenue | | |
| Grants received | 79,739 | - |

4 Exceptional item

| | 2021 £ | 2020 £ |
|---------------------------------------|-----------|-----------|
| Expenditure | | |
| Inter-group loan balances written off | 188,630 | - |

ALI WAL HEALTHCARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

5 Operating profit

| | 2021 | 2020 |
|---|----------------|----------------|
| | £ | £ |
| Operating profit for the year is stated after charging/(crediting): | | |
| Government grants | (79,739) | - |
| Depreciation of owned tangible fixed assets | 13,723 | 13,283 |
| Operating lease charges | 102,186 | 100,000 |
| | <u>102,186</u> | <u>100,000</u> |

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2021 Number | 2020 Number |
|----------------|----------------|----------------|
| Care Staff | 34 | 35 |
| Administration | 1 | 1 |
| Managerial | 1 | 1 |
| Total | <u>36</u> | <u>37</u> |

Their aggregate remuneration comprised:

| | 2021 £ | 2020 £ |
|--------------------|----------------|----------------|
| Wages and salaries | 683,275 | 658,660 |
| Pension costs | 9,474 | 9,260 |
| | <u>692,749</u> | <u>667,920</u> |

7 Taxation

| | 2021 £ | 2020 £ |
|--|---------------|--------------|
| Current tax | | |
| UK corporation tax on profits for the current period | <u>43,621</u> | <u>1,802</u> |

ALI WAL HEALTHCARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

7 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Profit before taxation | 44,803 | 83,484 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | 8,513 | 15,862 |
| Tax effect of expenses that are not deductible in determining taxable profit | 35,874 | 5 |
| Group relief | - | (13,268) |
| Permanent capital allowances in excess of depreciation | (766) | (797) |
| Taxation charge for the year | 43,621 | 1,802 |

8 Tangible fixed assets

| | Land and buildings Leasehold £ | Improvements to Leasehold Properties £ | Fixtures, fittings & equipment £ | Total £ |
|------------------------------------|--------------------------------------|---|---|------------|
| Cost | | | | |
| At 1 April 2020 | 6,823 | 29,238 | 157,640 | 193,701 |
| Additions | - | - | 14,930 | 14,930 |
| At 31 March 2021 | 6,823 | 29,238 | 172,570 | 208,631 |
| Depreciation and impairment | | | | |
| At 1 April 2020 | 6,823 | 26,907 | 119,542 | 153,272 |
| Depreciation charged in the year | - | 466 | 13,257 | 13,723 |
| At 31 March 2021 | 6,823 | 27,373 | 132,799 | 166,995 |
| Carrying amount | | | | |
| At 31 March 2021 | - | 1,865 | 39,771 | 41,636 |
| At 31 March 2020 | - | 2,331 | 38,098 | 40,429 |

9 Stocks

| | 2021 £ | 2020 £ |
|----------------------|-----------|-----------|
| Food and consumables | 900 | 900 |

ALI WAL HEALTHCARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

10 Debtors

| | 2021 | 2020 |
|---|---------------|------------------|
| | £ | £ |
| Amounts falling due within one year: | | |
| Trade debtors | 51,293 | 54,577 |
| Amounts owed by group undertakings | - | 1,028,848 |
| Other debtors | 13,336 | 17,205 |
| Prepayments and accrued income | 1,211 | 1,211 |
| | <u>65,840</u> | <u>1,101,841</u> |

11 Creditors: amounts falling due within one year

| | 2021 | 2020 |
|------------------------------------|----------------|------------------|
| | £ | £ |
| Trade creditors | 4,833 | 4,228 |
| Amounts owed to group undertakings | 6,636 | 1,155,136 |
| Corporation tax | 45,423 | 1,802 |
| Other taxation and social security | 6,960 | 6,509 |
| Other creditors | 131,364 | 64,445 |
| Accruals and deferred income | 45,828 | 42,100 |
| | <u>241,044</u> | <u>1,274,220</u> |

12 Retirement benefit schemes

| | 2021 | 2020 |
|---|--------------|--------------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | <u>9,474</u> | <u>9,260</u> |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

13 Share capital

| | 2021 | 2020 | 2021 | 2020 |
|-------------------------------|---------------|---------------|---------------|---------------|
| | Number | Number | £ | £ |
| Ordinary share capital | | | | |
| Issued and fully paid | | | | |
| Ordinary Shares of £1 each | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> |

ALI WAL HEALTHCARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

14 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2021 £ | 2020 £ |
|-----------------|-----------|-----------|
| Within one year | 100,000 | 100,000 |

15 Related party transactions

Transactions with related parties

The following amounts were outstanding at the reporting end date:

The balance receivable from related parties at the year end date are as follows:

| | 2021 £ | 2020 £ |
|--------------------------------|-----------|-----------|
| Excelcare (Cambridge) Limited | Nil | 925,000 |
| Castlebar Healthcare Limited | Nil | 95,568 |
| Hunters Healthcare Limited | Nil | 7,560 |
| Fitzwilliam Healthcare Limited | Nil | 720 |

There were material transactions between the company and Castlebar Healthcare Limited who acts as the group's head office.

The nature of the transactions were allocations for head office expenses including amounts for wages and salaries and general overheads i.e. transactions in the normal course of business.

There were material transactions between the company and Excelcare (Cambridge) Limited which is its' parent company. The nature of these transactions were transfers of funds in the normal course of business activities.

ALI WAL HEALTHCARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Related party transactions

(Continued)

The balances payable to related parties at the year end date are as follows:

| | 2021 £ | 2020 £ |
|-------------------------------------|-----------|-----------|
| Brook Healthcare Limited | Nil | 52,714 |
| Buchan Healthcare Limited | Nil | 622,707 |
| Primrose Healthcare Limited | Nil | 28,265 |
| Rheola Healthcare Limited | Nil | 40,861 |
| St Georges Court Healthcare Limited | Nil | 106,754 |
| Glenfield Healthcare Limited | Nil | 17,770 |
| Excelcare Investments Limited | 6,636 | 6,636 |
| Park Avenue Healthcare Limited | Nil | 21,133 |

There were material transactions during the year with Buchan Healthcare Limited which acts as the regional head office.

The nature of the transactions were allocations for regional and head office expenses including amounts for wages and salaries and general overheads i.e. transactions in the normal course of business.

There were also material transactions between the company and Excelcare Investments Limited which is the company's landlord.

The nature of the transactions was rental charges and payments.

No guarantees have been given or received.

16 Ultimate controlling party

In the opinion of the director, the ultimate parent company is Excel Portfolios Limited, a company registered in Jersey. The immediate parent company is Excelcare (Cambridge) Limited, a company incorporated in England & Wales. The ultimate controlling party changed from R Ertosun to E Ertosun and O Ertosun on 4 April 2020.

The smallest undertaking for which group financial statements are prepared is Excelcare (Cambridge) Limited. The copies of these consolidated financial statements can be obtained from Kalamu House, 11 Coldbath Square, London EC1R 5HL.

The largest undertaking for which group financial statements are prepared is Excel Portfolios Limited. The copies of these consolidated financial statements can be obtained from St Paul's Gate, Fourth Floor, 22 – 24 New Street, St Helier, Jersey JE1 4TR.

ALI WAL HEALTHCARE LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

17 Cash generated from/(absorbed by) operations

| | 2021 £ | 2020 £ |
|--|---------------|----------------|
| Profit for the year after tax | 1,182 | 81,682 |
| Adjustments for: | | |
| Taxation charged | 43,621 | 1,802 |
| Depreciation and impairment of tangible fixed assets | 13,723 | 13,283 |
| Movements in working capital: | | |
| Decrease/(increase) in debtors | 1,036,001 | (152,728) |
| (Decrease)/increase in creditors | (1,076,797) | 49,746 |
| Cash generated from/(absorbed by) operations | <u>17,730</u> | <u>(6,215)</u> |

18 Analysis of changes in net funds

| | 1 April 2020 £ | Cash flows £ | 31 March 2021 £ |
|--------------------------|-------------------|-----------------|-----------------------|
| Cash at bank and in hand | <u>6,516</u> | <u>2,800</u> | <u>9,316</u> |