



**Group Strategic Report,
Report of the Director and
Consolidated Financial Statements
for the Year Ended 31 March 2019
for
Jasmine Healthcare Limited**



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for the Year Ended 31 March 2019

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Jasmine Healthcare Limited
Company Information
for the Year Ended 31 March 2019

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SECRETARY: Mr C D Clark

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**Group Strategic Report
For the Year Ended 31 March 2019**

The Director presents his strategic report of the company and the group for the year ended 31 March 2019.








MISSION STATEMENT

At the heart of everything we do is our mission:

*By prioritising **our people**, our mission is to provide the **highest standards of care** in our own homes and to improve standards of care across our sector*

JASMINE OBJECTIVES

Jasmine has seven SMART (Specific, Measurable, Achievable, Realistic and Timely) objectives that we believe best indicate the achievement of our mission. These are outlined below along with how we are performing against them:

OBJECTIVE	CURRENT YEAR	PRIOR YEAR	PROGRESS	RATING
1. For all homes to have a Jasmine Compliance Score of over 80% at all times	Four homes out of five over target & Group Score 78%	Two homes out of five over target & Group Score 72%		Amber
2. For all homes to have a staff retention rate of over 70% per year	No homes achieving this & 34% for the Group	No homes achieving this & 35% for the Group		Red
3. For over 60% of all our staff to have a Diploma in Care Qualification	48% with a Diploma in Care and 22% studying for one	44% with a Diploma in Care and 23% studying for one		Amber
4. For all homes to be rated Good or Outstanding by CQC and all other Regulatory bodies	Outstanding (1 Home) Good (4 Homes) Requires Improve (0 Homes) 0% Inadequate (0 Homes)	Outstanding (0 Homes) Good (4 Homes) Require Improve (1 Home) Inadequate (0 Homes)		Green
5. For all homes to have a www.carehome.co.uk Rating of over 9 out 10	All homes over 9.0 with a 9.5 average group score	Two homes over 9.0 with a 9.0 average group score		Green
6. For all homes to be fully occupied, so that as many residents as possible can enjoy our high standards of care	3 homes achieving this & 86% for the Group	1 home achieving this & 74% for the group		Amber
7. For Jasmine to be able to acquire and improve under-performing homes	Above objectives sufficiently met & all key staff vacancies filled	Above objectives not sufficiently met & many key job posts not filled		Green

1. For all our homes to have a Jasmine Compliance Score of over 80% at all times

At the end of the year we are delighted that four out of five homes had compliance scores in excess of our target of 80% and our overall group compliance score was very close to our target at 78%.

With our new Care Support Manager in post from mid-March 2019, we are very confident that all our homes and our overall Jasmine compliance score will be over 80% within the next three months.

2. For all our homes to have a staff retention rate of over 70% per year

Staff retention continues to be our major area of focus. It is a key performance indicator that the whole management team monitor closely. We are therefore a little disappointed that our staff retention has remained at circa 35%, albeit this overall low level of retention disguises the fact that we have a core team of long term loyal staff. 64% of our staff at 31st March 2019 had been with us for a year or more. The cause of the significant difference between this retention figure and the true retention figure of 35% is a small but nomadic group of staff that come and go throughout the year.

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We are also cognisant that our stable level of staff retention is in the context of:

- ⊗ A continued improvement in employment, and fall in unemployment across the country in the last year;
- ⊗ Removing a number of bank workers from our payroll during the year that simply weren't picking up enough shifts to provide any additional continuity in care for our residents than using agency staff (whilst impacting negatively on our training statistics and adding additional HR/payroll administration burden);
- ⊗ Our managers setting higher expectations of their teams, and losing some team members who did not want to "get on board"; and
- ⊗ Having less staff on long term sick at the end of this year.

More importantly, the dedication and motivation of our staff team, has significantly improved this year, with absence levels reducing and improved training statistics.

Notwithstanding, the above, we consider our current level of staff retention to still be too low. However, we are confident that in the coming year we will see our staff retention significantly improve, as our absolute focus on recruitment and engagement over the last year, continues to have a meaningful impact on the motivation, commitment and happiness of our teams.

In the last year we have achieved all of the following in relation to our recruitment and staff retention:

We have Improved our:

- ⊗ Digital/social media presence;
- ⊗ Inductions;
- ⊗ Welcome of staff;
- ⊗ Starter feedback calls and how we follow-up the findings from them;
- ⊗ Management of holidays to encourage staff to take their full entitlement; and
- ⊗ The percentage that we pay over and above the National Living Wage.

We have implemented:

- ⊗ An industry leading New Starter Champion programme;
- ⊗ Detailed action plans in response to regular staff engagement surveys;
- ⊗ More informative and fun staff meetings;
- ⊗ More person centred Supervisions for our team;
- ⊗ 360 degree feedback from colleagues feeding into annual appraisals;
- ⊗ Strategies to encourage all staff to study for Diploma in Care qualifications (NVQs); and
- ⊗ Additional staff incentives and thank yous.

More initiatives are planned in the current year, including further leadership and staff engagement training for all Managers and Deputy Managers.

We are therefore confident that the Group's staff retention will continue to improve month on month, and that we will be much nearer our staff retention target of 70.0% by 31st March 2020.

3. For over 60% of all our staff to have a Diploma in Care Qualification

We made good progress on this objective during the year by encouraging our existing team to study for these qualifications by paying all their fees and offering meaningful financial rewards for completing them.

While the Care Quality Commission (CQC) no longer requires these qualifications and Government funding has been withdrawn, we consider these qualifications to be an important way for Jasmine to improve the care in our own homes and other care homes where our staff may work in the future.

4. For all our homes to be rated Good or Outstanding by CQC and all other Regulatory bodies

What a year with two great CQC inspections across the group! We were delighted to achieve our first Outstanding CQC rating for Orchard Court. We believe this to be indicative of the improving standards across all of our homes, and that further Outstanding CQC ratings are on their way. We also achieved a Good CQC rating and Goods for all individual Key Lines of Enquiry (KLOEs) for Oxendon House.

These ratings are all the more impressive in the context of only 4% of care homes obtaining overall Outstanding CQC ratings and 66% obtaining overall Good CQC ratings (with many of these not receiving Good ratings in all five KLOEs).

As a result of these two CQC inspections during the year, Jasmine now has one home rated as Outstanding and four rated as Good.

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5. For all homes to have a www.carehome.co.uk Rating of over 9 out of 10

We added this as a key objective in May 2018, and at this time only two of our homes had a score over 9, and the overall group score was 9.

However, due to actively encouraging *all* our residents and relatives to review us during the year, we obtained a further 53 reviews during the period taking our total reviews at 31st March 2019 to 97.

We are delighted that all these new reviews drove up the scores of all our homes, and consequently at the year-end we had four homes scoring over our target of 9, and our group score was an impressive 9.5.

We put a lot of faith in these ratings, as we know that the independent www.carehome.co.uk verification process ensures that reviewers are genuine residents and relatives.

6. For all our homes to be over 95% occupied, so that as many residents as possible can enjoy our high standards of care

Although this has not been one of our key areas of focus in the year, due to prioritising improving our Care, Compliance and Staff Engagement, we have nevertheless made good progress against this objective.

We ended the year with group occupancy on a single room basis of 86% with three homes over our target of 95%. This compared to a group occupancy of only 74% with one home over our target at the end of last year.

We are confident with our continued focus on providing great care and compliance, and engaging and rewarding our valued staff team, our occupancy will continue to improve through word of mouth. This will be supplemented by our significantly improved digital footprint and social media activity.

7. For Jasmine to be able to acquire and improve under-performing homes

We have a golden rule that we will only purchase new homes when all our existing homes are rated Good or Outstanding with CQC.

In addition, all our key staff roles are now filled, including our new Care Support Manager role, which will play a key role in improving future homes we purchase, whilst helping our existing homes obtain and Outstanding CQC rating.

Consequently, we now feel that we are ready and fully prepared to acquire and improve further under-performing homes.

JASMINE VALUES

In summary, we believe that we have made significant progress towards achieving our mission, and key objectives during the year under review.

We believe this success has largely been achieved by the whole Jasmine Team exemplifying the Jasmine Values. However, we don't want to be one of the many organisations that just say this because it sounds good. We therefore spend a lot of time at Jasmine analysing objective data to confirm that we are "doing what we say we will".

Below are some of the ways we assess how we are exemplifying each of our values:

1. Passionate about providing the Highest Standards of Care

Care Quality Commission (CQC) Inspections

As outlined above at the end of this year, one of our homes was rated as Outstanding (top 3% of recently inspected homes) and four were rated at Good (top 66% of recently inspected homes).

Social Services & CCG Inspections

We have also continued to get better inspection scores and ratings from all Social Services and NHS Clinical Commissioning Groups (CCG). The only home that is graded by its local Council is South Moor Lodge, and we are delighted that this home recently achieved the highest rating of 5 from Nottingham County Council.

Jasmine Compliance Scores ("JCS")

However, it is not enough for Jasmine to be rated well when they receive periodic inspections from their various regulators. We wish to ensure that our homes provide the absolute highest standards of care and accommodation at all times. Consequently senior management, continually monitor, audit and assess our care homes, and make improvements to our processes and care.

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This is why we developed the Jasmine Compliance Score ("JCS") and all our homes' compliance continues to be closely monitored against this key performance indicator. I am delighted to report that the average JCS of all our homes significantly increased to 78% at 31st March 2019 with four of our five homes achieving over our target of 80%.

However, our target remains for all our homes to have a JCS of over 80.0%, and we won't stop driving high standards until this is achieved...

2. Committed to Training

The group's continuing investment in training our staff continues to reap benefits in the quality of our staff and the care that we provide.

Mandatory Training

We are consequently delighted that our mandatory training percentage increased to 86% at 31st March 2019 from 81% last year. In addition, four of our five homes were over our target of 90%. We believe this target will easily be achieved in the coming year, with the current positive momentum on our training provision, and improvement in staff retention...

Diplomas in Care

Perhaps more important still, we have significantly increased the percentage of our team with a Diploma in Care or equivalent (i.e. NVQs) to 49% at 31st March 2019 from 44% last year. A further 22% are now studying for these qualifications, meaning that we have over two thirds of our staff team either already with one of these qualifications or studying towards one.

We actively encourage all our team to achieve these qualifications by paying all their course fees and giving them tax free vouchers when they are awarded them. We also celebrate every time a member of our team is awarded one of these valuable qualifications. We believe encouraging these qualifications is an important way we achieve our mission to improve the elderly care sector.

3. To want to be One Big Team

Annual Exemplification of Values Staff Survey

The people who are probably the best judge of whether Jasmine exemplifies this value, is our staff team, and therefore once a year we conduct a staff survey of how Jasmine exemplifies all its values. On this value, we scored 79% this year, which suggests most staff strongly agreed, or agreed, that we exemplify this value. Our score was slightly up from last year too when we scored 78%, which is encouraging.

Staff Retention

Staff retention is another indicator of how well we are exemplifying this value. We are delighted that our head office team, team of Home Managers, and team of Deputy Managers experienced very little change during the year. We also had all these posts successfully filled at the year end. However, as outlined above under our staff retention at care home level is still nowhere near as good as we would like it to be, and remains our single biggest area of focus, hence the significant number of things we've done in the last year to improve this (see above).

4. To Communicate Openly, Honestly & Effectively

Annual Exemplification of Values Staff Survey

Our only objective or third party validation of this value is our annual exemplification of values staff survey, on which we scored 77%, again indicating that almost all our staff strongly agreed or agreed that we exemplify this value. It was disappointing that our score fell a little from 78% last year though.

However, we believe we will have made a lot more progress on how our team staff assesses Jasmine on this value when our staff survey is performed again in June this year. Since last year's survey we have done all the following, inter alia, to improve our communication with staff in particular: made our staff meetings much more informative and interactive, made our staff supervisions more regular and person centred, conducted really detailed annual appraisals (including peer feedback) with all our staff team, significantly improved our social media activity, and encouraged all our team to join our Facebook pages.

In the coming year we will build on the progress made this year, by sending all our staff regular informative newsletters, and engaging with our entire team using our new online recruitment and engaging portal due to be launched on 1st May 2019.

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5. To Have & Reward a Strong Work Ethic

National Living Wage ("NLW")

We continue to be totally committed to the new NLW and now pay all staff over the NLW with the percentage we pay over it increasing for the third year running. Furthermore, we continue to pay all our staff over 21 the NLW rather than only those over 25 as required by the NLW legislation.

We further reward the hard work and commitment of all our staff who are exceeding our expectations, as outlined in their annual appraisals, with a higher pay rate.

Additional Rewards, Incentives & Benefits

In addition, we pay our team the following additional incentives and thank yous to reward them for going above and beyond for Jasmine and our residents: new joining training incentive, ambassador incentives, CQC inspection thank yous, Diploma in Care (NVQ) rewards, bonuses and other adhoc thank yous.

We also encourage all staff to maintain their enrolment in our workplace NEST pension scheme, and now pay 3% into this on behalf of our team.

Share Scheme

We offer a share scheme to all our Managers based on them achieving clearly defined SMART objectives in line with Jasmine's mission and objectives. So far shares have been awarded to two of our Managers and we have a number of other managers well on their way to being awarded shares in Jasmine.

6. To provide a Positive Working Environment

Annual Exemplification of Values Staff Survey

The best judge of this is our team, and during our annual staff survey of how Jasmine exemplifies its values, we scored 80% on this value, which indicates that most staff strongly agree or agree that we do exemplify this value. We aim to score at least 80% on all values. We are confident that this score will improve further this year, as a result of the stability of our management team since the last survey, and our considerable effort at engaging with and improving the working environment of our teams.

Absence

An even more objective measure of how positive it is to work at our homes is our absence rate. In the current year, our average staff absence was 3.4%, which compares reasonably well to the care industry as a whole. We would very much like to see this fall further though for the benefit of our team and residents.

Staff Retention

Ultimately though, staff retention is the best indicator of how well we are exemplifying this value. As outlined above, this is good for our head office team, team of Home Managers and team of Deputy Managers, but is a work in progress at a couple of our homes in particular.

7. To provide a Homely place for our Residents to live

Re-investment in our Homes

Although Jasmine is not a charity, we are committed to reinvesting all our free cash to achieve our mission. Jasmine does not pay any of its shareholders any dividends, and the only salary taken by its Director is the provision of an electric company car. Our shareholders obtain their reward from any profit they make on the sale of their shares, and the company has a liquidity event allowing them to regularly realise any gains they have made if they wish. Consequently, all of Jasmines free cash is spent on improving our existing homes, or purchasing other homes that require improvement.

Maintenance & Refurbishment

Consequently, we have been able to continue to invest significantly more than industry norms on improving our care homes with the primary aim of making them more homely and pleasant for our residents.

In the current year we expensed £0.35million on maintaining and refurbishing our homes, which at £1,766 per bedroom, was circa double the industry norm. In addition, we capitalised a further £0.16million, largely relating to a number of refurbishment projects to improve our homes.

Some of the improvement projects we completed this year were: further landscaping of the extensive grounds at St Andrew's, the total refurbishment of one of Orchard Court's sitting rooms and many of its bedrooms (and ensembles), the total refurbishment

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of a further three bedrooms at Oxendon House, and a new cinema room, a new library and the total refurbishment of various communal areas, corridors and bedrooms (and ensembles) at South Moor Lodge.

www.carehome.co.uk Scores

Whilst, the best evidence of the homely outcomes we achieve from our significant investment in our homes, is the reviews we regularly receive. As outlined above all our homes are scoring 9.0 (out of 10.0) or above on www.carehome.co.uk and our group Jasmine score is currently 9.5.

Residents & Relatives Quality Assurance Survey

In order to constantly improve, we also conduct a quality assurance survey of all residents and relatives once a year. Our score was consistent this year with last year at 85%, which remained well above our target of 80%.

8. To Embrace Change Positively

Annual Staff Exemplification of Values Survey

We scored 83% on this value on our annual staff survey, up from 82% last year. This is well above our target score of 80% on all our values.

Improvement on most Qualitative and Quantitative measures

However, I believe the best proof that Jasmine's dedicated team, embraces change positively, is the incredible progress and many successes they have been responsible for in the last year.

9. A belief that everyone is an Ambassador for Jasmine

Occupancy

We believe the good, and improving, occupancy across the group, is the result of all of our team being great Ambassadors for Jasmine and their respective homes.

Social Media Activity

In the current year, our entire team has embraced the use of social media for the first time. We now have active Facebook pages for each home and Jasmine, and an active Jasmine LinkedIn page. We're regular posting on all of these sites, and receiving lots of interest and interaction from our staff and residents' relatives and friends. In fact, from almost a standing start this year, by 31st March 2019 we had 1,114 likes/followers across our six Facebook pages.

10. To act with Integrity by Always Doing what we Say we Will

Credit Rating

We mean many things by acting with integrity, however, we believe a pre-requisite of doing this is paying all our staff and suppliers fairly and promptly. We are confident that the group will maintain its 100 credit score (very low risk) from Experian on the publication of the improved financial performance and net assets position of the company outlined in these accounts.

Tax

Similarly we believe paying all taxes is fundamental to acting with integrity, and this is why we have resisted a lot of advice to move the ownership of our property offshore, as sadly much of the private care industry does. Jasmine therefore pays all taxes in the UK and this year paid corporation tax of over £0.2million. This was based on an effective corporation tax rate of 21.9%, which is well above the current headline corporation tax rate of 19.0%. In addition, the company paid nearly £0.5million to HRMC for employment related taxes.

Compliance & Relationships with Regulators

We also put a lot of emphasis on taking all complaints seriously and always doing what we say we will in our formal written responses to them.

Similarly, we always complete all requirements and recommendations we receive from the various regulatory bodies we work with (i.e. the Care Quality Commission, Social Services and Clinical Commissioning Groups). We always complete a detailed action plan after all their visits, and keep them updated of our progress against them (in line with value 4) until they are complete. We do this whether the regulatory bodies require us to or not.

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Transparently Sharing Accurate Information about the Care Industry

We believe one of the barriers to the care sector improving more quickly, is the poor and inaccurate information available to both care home operators and the public, although we do recognise the valuable contribution made by CQC and www.carehome.co.uk in recent years.

One area where the information is still very poor is staff turnover. Skills for Care report a staff leaver's rate of 31% for care staff; however, this is based on voluntary disclosure from operators that choose to contribute. We have not met a single care home operator that has this level of leavers on a pure basis, which accurately includes all employees with no sub-sets removed. Those operators that do report good low staff turnover invariably exclude large sub-sets of their employees, either accidentally (e.g. staff that join and leave between payroll dates or not reconciling data used to their payroll) or consciously (e.g. staff that leave in the first 3 months, staff that leave the area, staff that are new to care, staff that are terminated, or even all staff that leave in the first 12 months).

Jasmine believes this simply makes the industry focus less on something that probably has the most detrimental effect on standards of care. This is why Jasmine includes absolutely all staff in our staff turnover/retention calculations and uses the most traditional and accurate way (i.e. total leavers divided by total employees) to calculating them for any period of time.

We therefore make a point of sharing our statistics whilst doing everything we can to find ways of improving them further. We challenge other care operators to better our staff retention (when measured on a consistent basis), and if they can, we would like to learn some of their secrets.

Providing Open, Honest & Effective References

One of the reasons we believe that staff retention in the care sector is so poor (and why many operators exclude terminated employees from their staff retention statistics) is that recruitment in our sector is made more difficult by the fact that no care home operators seem to be provide honest and / or effective references for staff. Most references we now receive simply provide dates of employment with little or no useful insight into the applicants. The reason for this is presumably due to them being fearful of legal action from anyone they provide a poor reference for.

This is the main reason why we believe there are so many poor staff moving from one care home to another, unsettling both staff teams and residents, as they do.

This is why Jasmine now has a policy of providing Open, Honest and Effective references when we are asked for one. Our references therefore state all disciplinary action employees were subject to, an accurate summary of their absence from work, whether they left without working their notice, a fair description of their performance wherever possible, and an honest answer to the question "would you re-employee this person" if asked.

11. To Care for the Environment

Energy Performance Certificates ("EPCs")

The group continued its major drive to improve its energy efficiency during the year, including having EPCs produced for all our homes to help identify further ways we could improve the energy efficiency of our homes. We were delighted to find out that despite the age of our characterful homes, three of our homes obtained a C rating and two obtained a B rating. These unusually high ratings are undoubtedly the result of the significant investment we have made over the last few years to improve the energy efficiency of our homes.

Energy Efficiency

The following measures were implemented during the year due to being expected to have the most impact on our homes' energy efficiency:

- ⊗ More gas boilers were replaced with the latest energy efficient models; and
- ⊗ Solar panel installations large enough to provide circa one thirds of their electricity were installed at Orchard Court and South Moor Lodge. Consequently, all five of our homes now have large solar panel installations.

We expect the above measures to further improve the EPC ratings of our homes when we have them redone, once all the recommendations made have been implemented.

The full annual impact of the measures implemented in the prior year, and the benefit from the above measures for some of the current year, resulted in the group's oil, gas and electricity usage falling further this year.

This is now the fourth year running that we have managed to reduce our energy usage.

Our overall energy costs did go up though due to the cost of oil increasing and a significant increase in gas costs at Avenue House, due to our energy supplier taking the opportunity of us having to have a new larger gas meter, to break our three year fixed price contract.

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Our drive towards energy efficiency will continue in the coming year, with amongst other things, the replacement of the remainder of our older gas boilers with either new super-efficient gas boiler and/or ground source heat pumps

Electric Vehicle Charging

We installed four high speed electric charging points at St Andrew's during the year, taking us to three homes with high speed electric charging points, ready for the electric car revolution that is already underway.

Our electric charging points at St Andrew's, Oxendon House and Avenue House are available to the public (see <https://open.pod-point.com>) and for the foreseeable future they will continue to be free to use for all relatives and staff. It is Jasmine's aspiration to install electric charging points at all its homes. This will reduce the carbon foot-print of the miles that our regional management regularly drive, whilst visiting our homes to improve our care standards. It is also hoped that by initially making our charging points free of charge to all, we will help encourage our staff, and the relatives of our residents, to embrace the electric car revolution.

Water Efficiency

Jasmine finished fitting water saving devices across its entire estate in the current year. Consequently our water usage and water costs significantly reduced during the current year.

Recycling

During the year we changed our commercial refuse supplier at four of our homes to suppliers that can provide the facility to recycle. Sadly at one of the homes we still haven't been able to source a commercial refuse supplier that can recycle, including the local council!

We have also recently implemented the recycling of all cooking oil with regular collections of this from all five of our care homes.

FINANCIAL PERFORMANCE

We believe there is a virtuous circle between achieving Jasmine's Mission and Objectives and exemplifying our values, and our financial performance. This has clearly been borne out this year, with the progress we have made on our care and resident related objectives, being mirrored by our much better financial performance.

Turnover

The turnover of the group increased by £0.5million (10%) from £5.2million to £5.7million in the current year. The increase in turnover was due to a combination of an increase in occupancy of 5% (average across the year) and an increase in average fee rate of 6%.

The increase in occupancy was gradual throughout the financial year rising from 74% just after the previous Care & Operations Director left in February 2018 to 86% at the end of March 2019. As mentioned above, this increase in occupancy was primarily the result of improving standards of care and compliance across the group, resulting in positive word of mouth. Our improved digital footprint, social media activity and Ambassador activities simply helped us to communicate our improvement.

Gross Profit

The gross profit of the business also increased in line with turnover by £0.2million (10%) from £2.15million to £2.35million. Consequently our gross margin remained broadly consistent at 41.3% (prior year 41.4%).

This performance was despite staff costs representing 0.6% more of turnover this year, which was due to our higher use of agency staff (£114k increase), and continuing to increase the amount we pay over the National Living Wage (see below) and our pension contributions, in line with Jasmine Value 5 (see above). However, this increase in staff costs was offset by food and janitorial supplies representing a lower proportion of turnover (0.5%), due to us negotiating a good rebate and lower usage, respectively.

We hope the gross margin will improve in the coming year as we continue to improve occupancy, whilst reducing the use of agency staff through better management of holidays, more recruitment and better staff retention.

Earnings before Interest, Tax, Depreciation & Amortisation (EBITDA)

The overhead costs of all homes and head office decreased by £0.3million (27%) from £1.2million to £0.9million in the current year. This was due to a combination of reduced maintenance and refurbishment costs (£0.2million) and a reduction in central overhead (£0.1million).

The former was due to the prior year including a lot of costs associated with the reconfiguration and refurbishment of Oxendon House. However, at £1,766 per bedroom, this expenditure remained approximately double that of industry norms.

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The latter was due to the recruitment costs and additional salary costs of the new Care & Operations Director employed for most of the prior year.

All other overhead costs were well controlled with many reduced in real terms during the year.

As a result of the increase in gross profit (£0.2million) and decrease in overheads (£0.3million), the EBITDA of the business significantly increased by £0.5million (51%) from circa £1.0million to £1.5million in the current year. The group's EBITDA margin also significantly increased in the current year; increasing by an impressive 7.1%, from 19.5% to 26.6%.

Operating Profit

The depreciation charge increased a little during the year to £0.4million due to a full year of depreciating the extension at Oxendon House, which was completed late last year.

The operating profit of the group increased broadly in line with the group's EBITDA, increasing £0.5million (67%) from £0.7million to £1.2million.

Profit after Tax (PAT)

The current year's interest charge of £0.1million was broadly consistent with the prior year and reflected the normal interest payable on the group's year end bank debt of £4.1million (prior year £4.3million). Despite the company ending with cash balances of £1.0million the interest received in the year was de-minimus and therefore did not impact the net interest charge in the year.

The current year's overall tax charge was £0.2million. All of this was the current year's corporation tax charge, as the deferred tax was actually a de-minimus credit in the year. The current year's tax charge of £0.21million compared to a small credit last year (£0.01million) due to the lower corporation tax paid last year (£0.11million) being more than offset by the large deferred tax credit of £0.12million last year.

The effective tax rate of corporation tax paid in the current year of 21.8% was meaningfully higher than last year (20.5%) due to the lower capital expenditure this year.

Consequently, the PAT in the current year did not rise as quickly as operating profit, increasing only 42% (compared to the increase in operating profit of 67%) from £0.58million to £0.83million.

Management consider this a fantastic result and vindication of their continued focus on investing in their homes, staff teams and exemplifying our values.

Furthermore, we are more confident than ever that the occupancy, turnover and EBITDA of Jasmine will continue to improve, alongside our more qualitative KPIs, in the coming year.

Cash flow & Net Debt

At £1.5million the group's operating cash flow was in line with the group's EBITDA, despite the pressure on working capital requirements due to the 10% increase in revenue during the year. The group's operating cash flow was utilised as follows:

- ⊗ £0.1million on bank interest on the group's bank loans;
- ⊗ £0.2million on capital expenditure on numerous projects to make our homes even more homely and environmentally friendly;
- ⊗ £0.1million on the payment of last year's corporation tax; and
- ⊗ £0.2million on repaying bank loans.

The resulting surplus of £0.9million, after the above £0.6million of expenditure, increased our cash balances from £0.1million at the start of the year to £1.0million at the end of the year.

As a result of the £0.2million of debt repayments and £0.9million increase in cash balances, the net debt of the company decreased significantly during the year from £4.2million to only £3.1million.

Revaluation of Care Homes

At the end of the financial year we had our portfolio of homes Valued by Knight Frank for three main purposes:

- ⊗ The regular revaluation of our homes in our statutory accounts;
- ⊗ To assist us to raise further bank finance in the future to further improve our existing portfolio of homes, and purchase additional homes requiring improvement; and
- ⊗ To provide an objective valuation of our Manager's shares.

Group Strategic Report
For the Year Ended 31 March 2019

This valuation exercise indicated that our portfolio of homes had increased in value by £2.5million. Consequently, after allowing for a £0.23million provision for deferred tax on the additional inherent gains if we sold our homes individually, we recognised a net increase in the valuation of our homes of £0.23million, which can be seen on page 20 and 26 of the accounts.

FUTURE PERFORMANCE AND STRATEGY

We are confident that by continuing to exemplify our values, invest in the training and development of our team, and the refurbishment of our care homes, we will continue to see significant organic growth in the occupancy and average fee rate across the group in the coming year.

In addition, we expect the occupancy of the group to increase due to:

- ⊗ The continuing transition from using the remaining independent living bungalows at Orchard Court, currently let on short hold tenancies, to being used for private paying residents requiring full care packages. Eight of the thirteen bungalows have already been successfully transitioned to full care packages, so we are more confident than ever that this will be possible with the others as their shorthold tenancies come to an end;
- ⊗ The occupancy continuing to steadily increase at South Moor Lodge, as the home's historic issues become increasingly a distant memory, we capitalise on now being rated Good by CQC, and a top rated (Band 5) by Nottingham County Council. South Moor Lodge's occupancy increased from 23 in March 2018 to 28 in March 2019 (a 22% increase), and we expect this positive trend to accelerate in the coming year; and
- ⊗ A renewed focus on proactively promoting Oxendon House now that we have a good Home Manager, Deputy Manager and care team in post, which has been our primary focus over the last year at this home. Consequently, the care and the compliance at this home is now improving, meaning that we are comfortable promoting the home. We will only actively promote our homes when we are really confident that they are providing great care.

In light of the above, the Jasmine team is confident that the group will make further progress in the current year, even without any further acquisitions.

All positive cash flow will continue to be utilised to improve the overall standards of care in the country.

The first way we will achieve this is by further improving our own homes, and we expect to do at least one of the major extensions, reconfigurations and refurbishment projects that we already have planned for St Andrew's, Avenue House and South Moor Lodge, during the coming year.

The second way we will achieve this is by acquiring poorly performing care homes in desperate need of improvement. However, the group will only consider acquiring further care homes, if we are confident that they fit with the Jasmine Values, and that we can significantly improve them. Our criteria for any new care homes we purchase, includes inter alia:

- ⊗ They are homely and do not feel institutional or like hospitals in any way;
- ⊗ They are tastefully converted from characterful buildings or have the potential to be;
- ⊗ They have a meaningful amount of grounds and gardens for residents to enjoy;
- ⊗ They have no more than 50 bedrooms, as we believe it is not possible for care homes to be "homes" and for our managers to know all their residents well, once care homes become larger than this;
- ⊗ They are in need of meaningful improvement, as we will not improve the overall standards of elderly care in the country by acquiring homes that already provide high standards of care; and
- ⊗ They are based within our current east midlands geographic territory, so that we can maintain close contact and more easily support them to constantly improve...

We have a number of suitable opportunities identified, so watch this space...

ON BEHALF OF THE BOARD:



Mr C D Clark - Director

13 May 2019

Report of the Director
for the Year Ended 31 March 2019

The director presents his report with the financial statements of the company and the group for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the provision of care for the elderly.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2019.

During the year ended 31 March 2018, dividends totalling £5,000 were paid to shareholders.

DIRECTOR

Mr C D Clark held office during the whole of the period from 1 April 2018 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Group Strategic Report, the Report of the Director 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

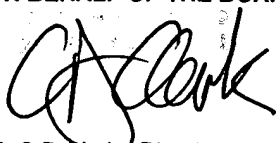
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

ON BEHALF OF THE BOARD:



Mr C D Clark - Director

13 May 2019

Report of the Independent Auditors to the Members of
Jasmine Healthcare Limited

Opinion

We have audited the financial statements of Jasmine Healthcare Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 March 2019 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group'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 director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Report of the Independent Auditors to the Members of
Jasmine Healthcare Limited

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page twelve, 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 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Wright Vigar Limited

Matthew Chadwick BA (Hons) ACA (Senior Statutory Auditor)
for and on behalf of Wright Vigar Limited
Statutory Auditors
Chartered Accountants & Business Advisers
15 Newland
Lincoln
Lincolnshire
LN1 1XG

13 May 2019

Consolidated Income Statement
for the Year Ended 31 March 2019

	Notes	2019 £	2018 £
TURNOVER		5,713,705	5,177,836
Cost of sales		3,352,932	3,031,719
		<hr/>	<hr/>
GROSS PROFIT		2,360,773	2,146,117
Administrative expenses		854,951	1,165,699
		<hr/>	<hr/>
EBITDA*		1,505,822	980,418
Depreciation		364,694	313,375
		<hr/>	<hr/>
OPERATING PROFIT	4	1,141,128	667,043
Interest receivable and similar income		2,337	0
		<hr/>	<hr/>
		1,143,465	667,013
Interest payable and similar charges	5	100,341	92,198
		<hr/>	<hr/>
PROFIT BEFORE TAXATION		1,043,124	574,815
Tax on profit on ordinary activities	6	213,713	(9,311)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		829,411	584,126
		<hr/>	<hr/>
Profit attributable to: Owners of the parent		829,411	584,126

*EBITDA is earnings before interest, tax, depreciation and amortisation

Jasmine Healthcare Limited (Registered number: 04974703)

Consolidated Other Comprehensive Income
for the Year Ended 31 March 2019

Notes	2019 £	2018 £
PROFIT FOR THE YEAR	829,411	584,126
OTHER COMPREHENSIVE INCOME		
Revaluation of land and buildings	2,696,855	-
Income tax relating to other comprehensive income	(230,196)	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX	2,466,659	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	3,296,070	584,126
Total comprehensive income attributable to: Owners of the parent	3,296,070	584,126

The notes form part of these financial statements

Jasmine Healthcare Limited (Registered number: 04974703)

Consolidated Balance Sheet
31 March 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	9	13,978,649	11,487,352
Investments	10	2	2
		<u>13,978,651</u>	<u>11,487,354</u>
CURRENT ASSETS			
Debtors	11	513,690	500,520
Cash at bank and in hand		1,020,759	73,304
		<u>1,534,449</u>	<u>573,824</u>
CREDITORS			
Amounts falling due within one year	12	898,569	785,403
NET CURRENT ASSETS/(LIABILITIES)		<u>635,880</u>	<u>(211,579)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>14,614,531</u>	<u>11,275,775</u>
CREDITORS			
Amounts falling due after more than one year	13	(3,942,855)	(4,116,582)
PROVISIONS FOR LIABILITIES	16	(963,157)	(746,744)
NET ASSETS		<u>9,708,519</u>	<u>6,412,449</u>
CAPITAL AND RESERVES			
Called up share capital	17	18,414	18,414
Share premium	18	565,592	565,592
Revaluation reserve	18	6,498,908	4,218,945
Capital redemption reserve	18	9,744	9,744
Retained earnings	18	2,615,861	1,599,754
SHAREHOLDERS' FUNDS		<u>9,708,519</u>	<u>6,412,449</u>

The financial statements were approved by the director on 13 May 2019 and were signed by:



Mr C D Clark - Director

Jasmine Healthcare Limited (Registered number: 04974703)

Company Balance Sheet
31 March 2019

	Notes	2019	2018
		£	£
FIXED ASSETS			
Tangible assets	9	8,648,649	6,601,915
Investments	10	682,107	682,107
		<u>9,330,756</u>	<u>7,284,022</u>
CURRENT ASSETS			
Debtors	11	2,731,094	2,764,802
Cash at bank and in hand		1,010,563	58,485
		<u>3,741,657</u>	<u>2,823,287</u>
CREDITORS			
Amounts falling due within one year	12	626,930	543,761
NET CURRENT ASSETS		<u>3,114,727</u>	<u>2,279,526</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,445,483</u>	<u>9,563,548</u>
CREDITORS			
Amounts falling due after more than one year	13	(3,942,855)	(4,116,582)
PROVISIONS FOR LIABILITIES	16	(566,200)	(376,523)
NET ASSETS		<u><u>7,936,428</u></u>	<u><u>5,070,443</u></u>
CAPITAL AND RESERVES			
Called up share capital	17	18,414	18,414
Share premium	18	565,592	565,592
Revaluation reserve	18	4,045,917	2,196,039
Capital redemption reserve	18	9,743	9,743
Retained earnings	18	3,296,762	2,280,655
SHAREHOLDERS' FUNDS		<u><u>7,936,428</u></u>	<u><u>5,070,443</u></u>
Company's profit for the financial year		<u><u>918,081</u></u>	<u><u>584,124</u></u>

The financial statements were approved by the director on 13 May 2019 and were signed by:



Mr C D Clark - Director

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2017	18,034	1,020,628	565,592
Changes in equity			
Issue of share capital	380	-	-
Dividends	-	(5,000)	-
Total comprehensive income	-	584,126	-
Balance at 31 March 2018	<u>18,414</u>	<u>1,599,754</u>	<u>565,592</u>
Changes in equity			
Total comprehensive income	-	1,016,107	-
Balance at 31 March 2019	<u>18,414</u>	<u>2,615,861</u>	<u>565,592</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2017	4,218,945	9,744	5,832,943
Changes in equity			
Issue of share capital	-	-	380
Dividends	-	-	(5,000)
Total comprehensive income	-	-	584,126
Balance at 31 March 2018	<u>4,218,945</u>	<u>9,744</u>	<u>6,412,449</u>
Changes in equity			
Total comprehensive income	2,279,963	-	3,296,070
Balance at 31 March 2019	<u>6,498,908</u>	<u>9,744</u>	<u>9,708,519</u>

Jasmine Healthcare Limited (Registered number: 04974703)

Company Statement of Changes in Equity
for the Year Ended 31 March 2019

	Called up share capital £	Retained earnings £	Share premium £
Balance at 1 April 2017	18,034	1,701,531	565,592
Changes in equity			
Issue of share capital	380	-	-
Dividends	-	(5,000)	-
Total comprehensive income	-	584,124	-
Balance at 31 March 2018	<u>18,414</u>	<u>2,280,655</u>	<u>565,592</u>
Changes in equity			
Total comprehensive income	-	1,016,107	-
Balance at 31 March 2019	<u>18,414</u>	<u>3,296,762</u>	<u>565,592</u>
	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2017	2,196,039	9,743	4,490,939
Changes in equity			
Issue of share capital	-	-	380
Dividends	-	-	(5,000)
Total comprehensive income	-	-	584,124
Balance at 31 March 2018	<u>2,196,039</u>	<u>9,743</u>	<u>5,070,443</u>
Changes in equity			
Total comprehensive income	1,849,878	-	2,865,985
Balance at 31 March 2019	<u>4,045,917</u>	<u>9,743</u>	<u>7,936,428</u>

The notes form part of these financial statements

Consolidated Cash Flow Statement
for the Year Ended 31 March 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	1,492,799	635,266
Interest paid		(100,341)	(92,198)
Tax paid		(117,320)	(169,781)
Net cash from operating activities		<u>1,275,138</u>	<u>373,287</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(159,137)	(638,490)
Purchase of fixed asset investments		-	(2)
Interest received		2,337	-
Net cash from investing activities		<u>(156,800)</u>	<u>(638,492)</u>
Cash flows from financing activities			
Movement on loans in year		-	314,321
Loan repayments in year		(170,883)	-
Share issue		-	380
Equity dividends paid		-	(5,000)
Net cash from financing activities		<u>(170,883)</u>	<u>309,701</u>
Increase in cash and cash equivalents		<u>947,455</u>	<u>44,496</u>
Cash and cash equivalents at beginning of year	2	73,304	28,808
Cash and cash equivalents at end of year	2	<u><u>1,020,759</u></u>	<u><u>73,304</u></u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019	2018
	£	£
Profit before taxation	1,043,124	574,815
Depreciation charges	364,693	313,373
Finance costs	100,341	92,198
Finance income	(2,337)	-
	<hr/>	<hr/>
	1,505,821	980,386
Increase in trade and other debtors	(13,170)	(365,822)
Increase in trade and other creditors	148	20,702
	<hr/>	<hr/>
Cash generated from operations	1,492,799	635,266

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2019

	31.3.19	1.4.18
	£	£
Cash and cash equivalents	1,020,759	73,304

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	73,304	28,808

Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2019

1. STATUTORY INFORMATION

Jasmine Healthcare Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation

The financial statements consolidate the statements of Jasmine Healthcare Limited and all of its subsidiary undertakings (subsidiaries), with the exception of subsidiaries that are held exclusively for resale.

Subsidiaries held exclusively for resale are not consolidated, and held within fixed asset investments, at cost.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Land and buildings	- Straight line over 50 years
Fixtures and fittings	- Straight line over 4 years and straight line over 7 years
Motor vehicles	- 25% on reducing balance

Included within land and buildings is freehold land at cost of £3,866,647, which has not been depreciated.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Jasmine Healthcare Limited (Registered number: 04974703)

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

3. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	3,163,052	2,988,229
Social security costs	120,697	64,858
Other pension costs	19,597	4,695
	<u>3,303,346</u>	<u>3,057,782</u>

The average number of employees during the year was as follows:

	2019	2018
Jasmine Healthcare Limited	126	125
Orchard Court Residential Home Limited	28	26
Oxendon House Care Home Limited	25	28
	<u>179</u>	<u>179</u>

	2019 £	2018 £
Director's remuneration	<u>9,974</u>	<u>7,369</u>

Jasmine Healthcare has only one Director, and the only remuneration he receives is the provision of an electric company car. This is used for regularly visiting all of our homes, to ensure that Jasmine's high standards of care are always maintained, and continually improving.

4. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation - owned assets	364,694	313,375
Auditors' remuneration	10,020	8,400
Auditors Remuneration for non-audit services	<u>14,760</u>	<u>-</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Bank interest	-	5,318
Mortgage interest	<u>100,341</u>	<u>86,880</u>
	<u>100,341</u>	<u>92,198</u>

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	227,496	117,905
Deferred tax	<u>(13,783)</u>	<u>(127,216)</u>
Tax on profit	<u>213,713</u>	<u>(9,311)</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

6. TAXATION - continued

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019 £	2018 £
Profit before tax	<u>1,043,124</u>	<u>574,815</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	198,194	109,215
Effects of:		
Depreciation in excess of capital allowances	29,888	10,446
Utilisation of tax losses	-	(1,756)
Temporary timing differences	<u>(14,369)</u>	<u>(127,216)</u>
Total tax charge/(credit)	<u>213,713</u>	<u>(9,311)</u>

Tax effects relating to effects of other comprehensive income

	Gross £	2019 Tax £	Net £
Revaluation of land and buildings	<u>2,696,855</u>	<u>(230,196)</u>	<u>2,466,659</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	2019 £	2018 £
Ordinary A shares of 10p each		
Final	<u>-</u>	<u>5,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

9. TANGIBLE FIXED ASSETS

Group

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 April 2018	11,045,345	1,310,500	76,730	12,432,575
Additions	-	159,137	-	159,137
Disposals	-	(109,489)	-	(109,489)
Revaluations	2,084,144	-	-	2,084,144
At 31 March 2019	13,129,489	1,360,148	76,730	14,566,367
DEPRECIATION				
At 1 April 2018	464,208	449,150	31,865	945,223
Charge for year	148,502	204,976	11,216	364,694
Eliminated on disposal	-	(109,489)	-	(109,489)
Revaluation adjustments	(612,710)	-	-	(612,710)
At 31 March 2019	-	544,637	43,081	587,718
NET BOOK VALUE				
At 31 March 2019	13,129,489	815,511	33,649	13,978,649
At 31 March 2018	10,581,137	861,350	44,865	11,487,352

The company applied the transitional arrangements of Section 35 of FRS 102 and used a previous valuation as the deemed cost for certain freehold properties. The properties are being depreciated from the valuation date.

Following transitions to FRS 102, group companies adopted the revaluation model for land and buildings.

Cost or valuation of Land and buildings at 31 March 2019 is represented by:

	£
Valuation in 2015	572,468
Valuation in 2016	821,760
Valuation in 2019	2,084,144
Deemed cost	9,651,117
	<hr/>
	13,129,489

Land and buildings were valued on a market value basis on 29 March 2019 by Knight Frank LLP.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019**

9. TANGIBLE FIXED ASSETS - continued

Company

	Land and buildings £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 April 2018	6,502,509	709,727	76,730	7,288,966
Additions	-	92,792	-	92,792
Disposals	-	(79,793)	-	(79,793)
Revaluations	1,784,858	-	-	1,784,858
At 31 March 2019	8,287,367	722,726	76,730	9,086,823
DEPRECIATION				
At 1 April 2018	285,169	370,017	31,865	687,051
Charge for year	75,623	104,869	11,216	191,708
Eliminated on disposal	-	(79,793)	-	(79,793)
Revaluation adjustments	(360,792)	-	-	(360,792)
At 31 March 2019	-	395,093	43,081	438,174
NET BOOK VALUE				
At 31 March 2019	8,287,367	327,633	33,649	8,648,649
At 31 March 2018	6,217,340	339,710	44,865	6,601,915

The company applied the transitional arrangements FRS 102 and used a previous valuation as the deemed cost for certain freehold properties. The properties are being depreciated from the valuation date.

Following transition to FRS 102 the company adopted the revaluation model for land and buildings.

Cost or valuation of Land and buildings at 31 March 2019 is represented by:

	£
Valuation 2015	572,468
Valuation in 2019	1,784,858
Deemed cost	5,930,041
	<u>8,287,367</u>

Land and buildings were valued on a market value basis on 29 March 2019 by Knight Frank LLP.

10. FIXED ASSET INVESTMENTS

Group

	Shares in group undertakings £
COST	
At 1 April 2018 and 31 March 2019	2
NET BOOK VALUE	
At 31 March 2019	2
At 31 March 2018	2

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

10. FIXED ASSET INVESTMENTS - continued

Company

	Shares in group undertakings £
COST	
At 1 April 2018 and 31 March 2019	682,107
NET BOOK VALUE	
At 31 March 2019	682,107
At 31 March 2018	682,107

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Orchard Court Residential Home Limited

Registered office: Suite One, Pattinson House, Oak Park, East Road, Sleaford, Lincolnshire, NG34 7EQ

Nature of business: Provision of care for the elderly

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1,067,067	654,047
Profit for the year		172,480	203,128

Oxendon House Care Home Limited

Registered office: Suite One, Pattinson House, Oak Park, East Road, Sleaford, Lincolnshire, NG34 7EQ

Nature of business: Provision of care for the elderly

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		1,387,126	1,370,061
Profit for the year		233,022	108,159

Beldon House Hotel Limited

Registered office: Suite One, Pattinson House, Oak Park, East Road, Sleaford, Lincolnshire, NG34 7EQ

Nature of business: Hotel

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		(74,620)	(74,645)
Profit/(loss) for the year		25	(15,525)

Beldon House Hotel Limited has been excluded from consolidation due to the fact it is an investment held exclusively for resale.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019**

11. DEBTORS

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	91,553	78,747	46,778	45,637
Other debtors	422,137	421,773	420,735	417,421
	<u>513,690</u>	<u>500,520</u>	<u>467,513</u>	<u>463,058</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	2,263,581	2,301,744
	<u>-</u>	<u>-</u>	<u>2,263,581</u>	<u>2,301,744</u>
Aggregate amounts	<u>513,690</u>	<u>500,520</u>	<u>2,731,094</u>	<u>2,764,802</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Bank loans and overdrafts (see note 14)	172,422	169,578	172,422	169,578
Trade creditors	109,739	124,555	71,047	59,658
Corporation tax	228,081	117,905	117,643	61,236
Social security and other taxes	77,256	73,571	47,276	50,377
Other creditors	214,287	211,931	143,960	148,702
Accruals and deferred income	96,784	87,863	74,582	54,210
	<u>898,569</u>	<u>785,403</u>	<u>626,930</u>	<u>543,761</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Bank loans (see note 14)	<u>3,942,855</u>	<u>4,116,582</u>	<u>3,942,855</u>	<u>4,116,582</u>

14. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Amounts falling due within one year or on demand:				
Bank loans	<u>172,422</u>	<u>169,578</u>	<u>172,422</u>	<u>169,578</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>739,349</u>	<u>720,835</u>	<u>739,349</u>	<u>720,835</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>3,203,506</u>	<u>3,395,747</u>	<u>3,203,506</u>	<u>3,395,747</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

15. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Bank loans	<u>4,115,277</u>	<u>4,286,160</u>	<u>4,115,277</u>	<u>4,286,160</u>

NatWest bank has a first charge over all properties in the group and cross guarantees between all subsidiary companies and the parent company.

16. PROVISIONS FOR LIABILITIES

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax	<u>963,157</u>	<u>746,744</u>	<u>566,200</u>	<u>376,523</u>
Group				
				Deferred tax
				£
Balance at 1 April 2018				746,744
Accelerated capital allowances				(13,783)
Revaluation of land and buildings				<u>230,196</u>
Balance at 31 March 2019				<u>963,157</u>
Company				
				Deferred tax
				£
Balance at 1 April 2018				376,523
Accelerated capital allowances				(8,069)
Revaluation of land and buildings				<u>197,746</u>
Balance at 31 March 2019				<u>566,200</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2019	2018
			£	£
163,407	Ordinary A	10p	16,341	16,341
16,932	Ordinary B	10p	1,693	1,693
3,800	Ordinary C	10p	<u>380</u>	<u>380</u>
			<u>18,414</u>	<u>18,414</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

18. RESERVES

Group

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2018	1,599,754	565,592	4,218,945	9,744	6,394,035
Profit for the year	829,411				829,411
Property revaluation	-	-	2,696,855	-	2,696,855
Excess depreciation release	186,696	-	(186,696)	-	-
Deferred tax on revaluation	-	-	(230,196)	-	(230,196)
At 31 March 2019	<u>2,615,861</u>	<u>565,592</u>	<u>6,498,908</u>	<u>9,744</u>	<u>9,690,105</u>

Company

	Retained earnings £	Share premium £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2018	2,280,655	565,592	2,196,039	9,743	5,052,029
Profit for the year	918,081				918,081
Property revaluation	-	-	2,145,650	-	2,145,650
Excess depreciation release	98,026	-	(98,026)	-	-
Deferred tax on revaluation	-	-	(197,746)	-	(197,746)
At 31 March 2019	<u>3,296,762</u>	<u>565,592</u>	<u>4,045,917</u>	<u>9,743</u>	<u>7,918,014</u>

19. RELATED PARTY DISCLOSURES

During the prior year, loans made by the director to a subsidiary company, amounting to £214,649, were assigned to Jasmine Healthcare, and subsequently repaid to the director. A balance of £Nil (2018: £Nil) was owed at the year end.

20. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is the Director Mr C D Clark.