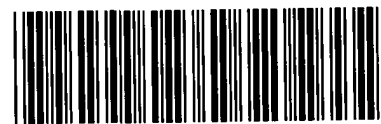


Company Registration No. 05226769 (England and Wales)

SAFFRON HEALTHCARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

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SAFFRON HEALTHCARE LIMITED

COMPANY INFORMATION

Director	Mr Osman Ertosun
Company number	05226769
Registered office	Kalamu House 11 Coldbath Square London 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

SAFFRON HEALTHCARE LIMITED

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SAFFRON HEALTHCARE LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The director presents his annual report and financial statements for the year ended 31 March 2019.

Principal activities

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

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

Hurshens resigned as auditors in accordance with section 516 of the Companies Act 2006.

KLSA LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

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.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

Mr Osman Ertosun
Director



19 December 2019

SAFFRON HEALTHCARE LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

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.

SAFFRON HEALTHCARE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SAFFRON HEALTHCARE LIMITED

Opinion

We have audited the financial statements of Saffron Healthcare Limited (the 'company') for the year ended 31 March 2019 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 a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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.

SAFFRON HEALTHCARE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SAFFRON HEALTHCARE LIMITED

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

SAFFRON HEALTHCARE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SAFFRON HEALTHCARE LIMITED

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.



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

19 December 2019

Chartered Accountants
Statutory Auditor

Kalamu House
11 Coldbath Square
London
EC1R 5HL

SAFFRON HEALTHCARE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Turnover		3,146,381	2,926,175
Cost of sales		(2,119,583)	(1,941,336)
Gross profit		1,026,798	984,839
Distribution costs		(21,070)	(23,092)
Administrative expenses		(929,102)	(897,989)
Other operating income		5,750	-
Operating profit	3	82,376	63,758
Interest payable and similar expenses	5	(10)	(5)
Profit before taxation		82,366	63,753
Tax on profit	6	(16,323)	(12,609)
Profit for the financial year		66,043	51,144

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

SAFFRON HEALTHCARE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
Profit for the year	66,043	51,144
Other comprehensive income	-	-
Total comprehensive income for the year	<u>66,043</u>	<u>51,144</u>

SAFFRON HEALTHCARE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	7		96,822		77,767
Current assets					
Stocks	9	2,900		2,600	
Debtors	10	1,386,129		1,249,048	
Cash at bank and in hand		500		460	
		<u>1,389,529</u>		<u>1,252,108</u>	
Creditors: amounts falling due within one year	11	<u>(1,064,227)</u>		<u>(973,794)</u>	
Net current assets			<u>325,302</u>		<u>278,314</u>
Total assets less current liabilities			<u>422,124</u>		<u>356,081</u>
Capital and reserves					
Called up share capital	14	10,000		10,000	
Profit and loss reserves		412,124		346,081	
Total equity			<u>422,124</u>		<u>356,081</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 19 December 2019

Mr Osman Ertosun
Director



Company Registration No. 05226769

SAFFRON HEALTHCARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2017	10,000	294,937	304,937
Year ended 31 March 2018:			
Profit and total comprehensive income for the year	-	51,144	51,144
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2018	10,000	346,081	356,081
Year ended 31 March 2019:			
Profit and total comprehensive income for the year	-	66,043	66,043
	<hr/>	<hr/>	<hr/>
Balance at 31 March 2019	<hr/> <hr/> 10,000	<hr/> <hr/> 412,124	<hr/> <hr/> 422,124

SAFFRON HEALTHCARE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	18		58,623		53,958
Interest paid			(10)		(5)
Income taxes paid			-		(25,000)
			<u> </u>		<u> </u>
Net cash inflow from operating activities			58,613		28,953
Investing activities					
Purchase of tangible fixed assets		(49,173)		(18,534)	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(49,173)		(18,534)
			<u> </u>		<u> </u>
Net increase in cash and cash equivalents			9,440		10,419
Cash and cash equivalents at beginning of year			(16,088)		(26,507)
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			(6,648)		(16,088)
			<u> </u>		<u> </u>
Relating to:					
Cash at bank and in hand			500		460
Bank overdrafts included in creditors payable within one year			(7,148)		(16,548)
			<u> </u>		<u> </u>

SAFFRON HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

Company information

Saffron Healthcare Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kalamu House, 11 Coldbath Square, London, 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

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to 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.

1.3 Turnover

Turnover represents fees receivable for care services from council and privately. Turnover is recognised as it is incurred, either 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:

Leasehold improvements	Over the term of the lease
Fixtures, fittings & equipment	25% on reducing balance

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.

SAFFRON HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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 of food and consumables which are used for own consumption and are valued on a First In First Out (FIFO) basis. Stock is carried at the lower of cost and net realisable value.

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.

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.

SAFFRON HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

SAFFRON HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1 Accounting policies

(Continued)

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.

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.

SAFFRON HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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.

3 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	30,118	24,981
Cost of stocks recognised as an expense	173,975	156,471
Operating lease charges	500,000	500,000

4 Employees

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

	2019	2018
	Number	Number
Care Staff	103	92
Administration	3	6
Managerial	2	3
	108	101

SAFFRON HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

4 Employees (Continued)

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	2,075,482	1,927,988
Pension costs	22,640	9,403
	<u>2,098,122</u>	<u>1,937,391</u>

5 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	10	5
	<u>10</u>	<u>5</u>

6 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	16,323	12,609
	<u>16,323</u>	<u>12,609</u>

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:

	2019 £	2018 £
Profit before taxation	82,366	63,753
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	15,650	12,113
Tax effect of expenses that are not deductible in determining taxable profit	13	12
Permanent capital allowances in excess of depreciation	585	437
Depreciation on assets not qualifying for tax allowances	75	47
Taxation charge for the year	<u>16,323</u>	<u>12,609</u>

SAFFRON HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

7 Tangible fixed assets

	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£
Cost			
At 1 April 2018	6,214	513,705	519,919
Additions	3,429	45,744	49,173
At 31 March 2019	9,643	559,449	569,092
Depreciation and impairment			
At 1 April 2018	1,563	440,589	442,152
Depreciation charged in the year	403	29,715	30,118
At 31 March 2019	1,966	470,304	472,270
Carrying amount			
At 31 March 2019	7,677	89,145	96,822
At 31 March 2018	4,651	73,116	77,767

8 Financial instruments

	2019 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,381,577	1,244,055
Carrying amount of financial liabilities		
Measured at amortised cost	1,042,830	970,043

9 Stocks

	2019 £	2018 £
Food and consumables	2,900	2,600

10 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	179,340	129,792
Amounts owed by group undertakings	1,201,511	1,110,495
Other debtors	726	3,768
Prepayments and accrued income	4,552	4,993
	1,386,129	1,249,048

SAFFRON HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11 Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Bank loans and overdrafts	12	7,148	16,548
Trade creditors		24,740	39,961
Amounts owed to group undertakings		900,539	801,161
Corporation tax		(4,503)	(20,826)
Other taxation and social security		25,900	24,577
Other creditors		57,686	61,783
Accruals and deferred income		52,717	50,590
		<u>1,064,227</u>	<u>973,794</u>

12 Loans and overdrafts

	2019 £	2018 £
Bank overdrafts	<u>7,148</u>	<u>16,548</u>
Payable within one year	<u>7,148</u>	<u>16,548</u>

13 Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>22,640</u>	<u>9,403</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.

14 Share capital

	2019 £	2018 £
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

SAFFRON HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

15 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:

	2019 £	2018 £
Within one year	500,000	500,000
Between two and five years	2,000,000	2,000,000
In over five years	4,000,000	4,500,000
	<u>6,500,000</u>	<u>7,000,000</u>

16 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

The following amounts were outstanding at the reporting end date:

The balance receivable from related parties who are not wholly owned by the group at the year end date as follows:

	2019 £	2018 £
Castlebar Healthcare Limited	1,175,105	1,084,089

There were material transactions during the year between the company and Castlebar Healthcare Limited which acts as the group 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.

Surplus funds in the company bank account are forwarded to head office in order to be transferred into the groups' treasury account, hence the debit balance at the year end.

SAFFRON HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2019

16 Related party transactions

(Continued)

The balances payable to related parties who are not wholly owned by the group at the year end date are as follows:

	2019 £	2018 £
Dovercourt Healthcare Limited	849,764	760,390

There were material transactions during the year between the company and Dovercourt Healthcare Limited who acts as the regional head office.

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

No guarantees have been given or received.

17 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 Holdings Limited, a company incorporated in England & Wales.

The smallest undertaking for which group financial statements are prepared is Excelcare Holdings 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.

18 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	66,043	51,144
Adjustments for:		
Taxation charged	16,323	12,609
Finance costs	10	5
Depreciation and impairment of tangible fixed assets	30,118	24,981
Movements in working capital:		
(Increase)/decrease in stocks	(300)	200
Increase in debtors	(137,081)	(151,247)
Increase in creditors	83,510	116,266
Cash generated from operations	58,623	53,958