

Registered number: 07200632

**JEESAL AKMAN CARE CORPORATION LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**



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**JEESAL AKMAN CARE CORPORATION LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	S A Subramaniam T Akman
<b>Company secretary</b>	S Colk
<b>Registered number</b>	07200632
<b>Registered office</b>	16-18 High Street Dereham, Norfolk NR19 1DR
<b>Independent auditors</b>	Larking Gowen LLP Chartered Accountants & Statutory Auditors King Street House 15 Upper King Street Norwich NR3 1RB
<b>Bankers</b>	HSBC HSBC House 21 Meridian Way Meridian Business Park Norwich NR7 0TA
<b>Solicitors</b>	Howes Percival Flint Buildings 1 Bedding Lane Norwich Norfolk NR3 1RG

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**JĒESAL AKMAN CARE CORPORATION LIMITED**

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## JEESAL AKMAN CARE CORPORATION LIMITED

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### STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

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#### Introduction

The directors present their strategic report for Jeesal Akman Care Corporation Limited for the year ended 31 March 2020.

#### Business review

During the reporting period the Company has faced difficulties in maintaining the high level of care quality that it strives to meet. The Board has therefore decided to reduce the number of registered beds post year end from 56 to 12.

The impact of this, together with the effects of the global economic covid-19 pandemic outbreak that hit the UK towards the end of the reporting period and continued to impact on the trading activities post year end has led the directors to reconsider the strategy for the Company and the services that it provides.

The directors regret the impact this will have on its valued patients and dedicated and loyal staff to whom the thanks of the directors are passed.

#### Principal risks and uncertainties

The continued successful performance of the company requires management to continually monitor the key risks facing the company. As such the Board formally manage this process on a regular basis and ensure that necessary processes are in place to help to mitigate any potential risks which are identified via the continuous improvement plans to deliver the highest care provision to the patients.

The principal risks and uncertainties facing the group include:

- Dependency on revenue streams from Local Clinical Commissioning Groups – NHS Authorities are facing well publicised budget pressure as the government continues to seek to reduce the deficit. However, the Board are continually developing and evaluating ideas for new revenue streams to include other geographical locations, to help deliver new and existing care services.
- Dependency on Government healthcare policies to continue to grant licences for the level of hospital care the Company provides at numbers that make the provision sustainable in the longer term.
- Key personnel – Management seek to ensure that key personnel are appropriately remunerated to ensure that good performance is recognised and that the core team is maintained, together with new links with local specialist staffing agencies to reinforce the compassion and dedication from core staff.

#### Financial key performance indicators

The key performance indicators of the company are the level of revenue, gross profit margin and profit before taxation. In addition, the directors consider the number of registered beds and staffing levels to be industry specific key targets. The key performance indicators for the year ended 31 March 2020 are as follows:

	2020 £'000	2019 £'000
Turnover	10,098	12,429
Gross Profit	3,144	5,662
Gross Profit Margin	31.1%	45.5%
Net Profit Before Tax	149	2,212

At 31 March 2020 the company had net assets of £7,740 (2019: £831,976).

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**JEESAL AKMAN CARE CORPORATION LIMITED**

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**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Other key performance indicators**

	2020 No.	2019 No.
Registered Beds at reporting date	56	56
Average Number Of Staff	211	242

This report was approved by the board and signed on its behalf.



.....  
**T Akman**  
Director

Date: 29 March 2021

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## JEESAL AKMAN CARE CORPORATION LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

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The directors present their report and the financial statements for the year ended 31 March 2020.

#### Directors' responsibilities statement

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Principal activity

The principal activity of the company continued to be that of providing specialist care services for people with learning disabilities.

#### Results and dividends

The profit for the year, after taxation, amounted to £175,764 (2019 - £1,845,408).

A dividend of £1,000,000 has been paid in the year (2019: £2,075,000).

#### Directors

The directors who served during the year were:

S A Subramaniam  
T Akman

#### Future developments

The directors are actively reviewing the provision of services provided by the Company in line with note 28.

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**JEESAL AKMAN CARE CORPORATION LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2020**

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**Financial instruments**

The company operates a centralised treasury function which is responsible for managing the liquidity and interest risk associated with the company's activities. The company has various financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations.

The company manages its cash and borrowing requirements centrally to minimise interest expense, whilst ensuring that the company has sufficient liquid resources to meet the operating needs of the business.

**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

Any significant post balance sheet events are disclosed in note 28.

**Auditors**

The auditors, Larking Gowen LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



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**T Akman**  
Director

Date: 29 March 2021

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## JEESAL AKMAN CARE CORPORATION LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JEESAL AKMAN CARE CORPORATION LIMITED

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#### Opinion

We have audited the financial statements of Jeesal Akman Care Corporation Limited (the 'Company') for the year ended 31 March 2020, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, 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 Company's affairs as at 31 March 2020 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 Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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



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## JEESAL AKMAN CARE CORPORATION LIMITED

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JEESAL AKMAN CARE CORPORATION LIMITED (CONTINUED)

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inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report 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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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**JEESAL AKMAN CARE CORPORATION LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF JEESAL AKMAN CARE CORPORATION  
LIMITED (CONTINUED)**

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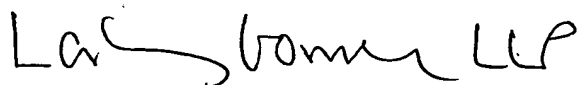
**Auditors' responsibilities for the audit of the financial statements**

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 an Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**Use of our report**

This report is made solely to the Company's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members for our audit work, for this report, or for the opinions we have formed.



Ian Fitch FCA (Senior statutory auditor)

for and on behalf of  
**Larking Gowen LLP**

Chartered Accountants  
Statutory Auditors

King Street House  
15 Upper King Street  
Norwich  
NR3 1RB

30 March 2021

**JĒESAL AKMAN CARE CORPORATION LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover	4	10,098,365	12,428,507
Cost of sales		(6,953,882)	(6,766,178)
<b>Gross profit</b>		<b>3,144,483</b>	<b>5,662,329</b>
Administrative expenses		(2,952,781)	(3,403,129)
<b>Operating profit</b>	5	<b>191,702</b>	<b>2,259,200</b>
Interest receivable and similar income	9	7,350	16,092
Interest payable and expenses	10	(50,240)	(63,489)
<b>Profit before tax</b>		<b>148,812</b>	<b>2,211,803</b>
Tax on profit	11	26,952	(366,395)
<b>Profit after tax</b>		<b>175,764</b>	<b>1,845,408</b>
Retained earnings at the beginning of the year		831,776	1,061,368
		831,776	1,061,368
Profit for the year		175,764	1,845,408
Dividends declared and paid		(1,000,000)	(2,075,000)
<b>Retained earnings at the end of the year</b>		<b>7,540</b>	<b>831,776</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

The notes on pages 10 to 24 form part of these financial statements.

**JEESAL AKMAN CARE CORPORATION LIMITED**  
**REGISTERED NUMBER: 07200632**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	429,566	715,623
		<u>429,566</u>	<u>715,623</u>
<b>Current assets</b>			
Stocks	14	4,741	4,859
Debtors: amounts falling due within one year	15	1,472,452	2,902,646
Cash at bank and in hand	16	432,460	1,188,469
		<u>1,909,653</u>	<u>4,095,974</u>
Creditors: amounts falling due within one year	17	(1,591,764)	(3,424,287)
<b>Net current assets</b>		<u>317,889</u>	<u>671,687</u>
<b>Total assets less current liabilities</b>		<u>747,455</u>	<u>1,387,310</u>
Creditors: amounts falling due after more than one year	18	(394,849)	(210,468)
<b>Provisions for liabilities</b>			
Other provisions	21	(344,866)	(344,866)
		<u>(344,866)</u>	<u>(344,866)</u>
<b>Net assets</b>		<u><u>7,740</u></u>	<u><u>831,976</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	200	200
Profit and loss account	23	7,540	831,776
		<u><u>7,740</u></u>	<u><u>831,976</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....  
**T Akman**  
 Director



.....  
**S A Subramaniam**  
 Director

Date: 29 March 2021

The notes on pages 10 to 24 form part of these financial statements.

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## JEESAL AKMAN CARE CORPORATION LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 1. General information

Jeesal Akman Care Corporation Limited is a private company limited by shares incorporated in England and Wales, registration number 07200632. The registered office is 16-18 High Street, Dereham, Norfolk, NR19 1DR.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The significant accounting policies applied in the preparation of these financial statements financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The following principal accounting policies have been applied:

##### 2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Jeesal Akman Holdings Limited as at 31 March 2020 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

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## **JEESAL AKMAN CARE CORPORATION LIMITED**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020**

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#### **2. Accounting policies (continued)**

##### **2.3 Going concern**

The Directors have considered the Company's position at the time of signing the financial statements, and in particular the current issues caused by Covid-19 and its potential impact on the Company and the wider economy.

The Directors have prepared forecasts and have considered the current financial strength of the Company, and the wider Group of which it is a part. In addition, the Directors have considered the range of measures they can take to mitigate ongoing costs should they need to including ongoing support measures being offered by the UK government for which the Company is eligible.

The directors are actively looking reconsidering its strategy for the Company and the services it provides. The Company has also been provided with a letter of support from the wider Group to support it financially as required.

Based on this, the Directors have concluded that they have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future, and, based on the economic environment recovering within the timeframe currently being widely anticipated, at least twelve months from the date of signing these financial statements, they therefore continue to adopt the going concern basis of accounting in preparing these financial statements.

##### **2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

###### **Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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## JEESAL AKMAN CARE CORPORATION LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

Freehold property	-	
Plant and machinery	-	15% Reducing balance
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	15% Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administration expenses in the Statement of Income and Retained Earnings.

Assets in the course of construction are not depreciated until after they are brought into use.

##### 2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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## JEESAL AKMAN CARE CORPORATION LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.9 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

##### 2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### 2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### 2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.



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## JEESAL AKMAN CARE CORPORATION LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.14 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 2.15 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.16 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

##### 2.17 Interest income

Interest income is recognised in profit or loss using the effective interest method.

##### 2.18 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

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## JEESAL AKMAN CARE CORPORATION LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

##### 2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

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**JEESAL AKMAN CARE CORPORATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

**Useful Economic Lives of Tangible Assets:**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

**Provisions:**

The company has recognised provisions for dilapidations of property, the assumptions necessary to calculate this provision are based on historical experience and other reasonable factors.

**Impairment of Debtors:**

The company makes an estimate of the recoverable value of trade debtors and other debtors, management consider factors including the current credit rating of the debtors, the aging profile and historical experience.

**Impairment of Stock:**

The company holds finished goods stocks during the year. It is necessary to consider the recoverability of the cost of the stock items. When considering the stock provision, management considers the nature and condition of the stock as well as applying assumptions around the future usage of the stock.

**4. Turnover**

The whole of the turnover is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

**5. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Other operating lease rentals	1,410,333	1,950,016

**6. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,500	10,000

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**JEESAL AKMAN CARE CORPORATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	4,313,762	4,745,668
Social security costs	355,018	396,541
Cost of defined contribution scheme	92,151	81,951
	<u>4,760,931</u>	<u>5,224,160</u>

The average monthly number of employees, including directors, during the year was 211 (2019 - 242).

**8. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	4,167	2,633
	<u>4,167</u>	<u>2,633</u>

**9. Interest receivable**

	2020 £	2019 £
Other interest receivable	7,350	16,092
	<u>7,350</u>	<u>16,092</u>

**10. Interest payable and similar expenses**

	2020 £	2019 £
Bank interest payable	-	9
Other loan interest payable	11,906	9,745
Finance leases and hire purchase contracts	38,334	53,735
	<u>50,240</u>	<u>63,489</u>

**JEESAL AKMAN CARE CORPORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**11. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	365,554
Adjustments in respect of previous periods	(37,547)	-
	<u>(37,547)</u>	<u>365,554</u>
<b>Total current tax</b>	<u>(37,547)</u>	<u>365,554</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	10,595	841
<b>Total deferred tax</b>	<u>10,595</u>	<u>841</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(26,952)</u>	<u>366,395</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>148,812</u>	<u>2,211,803</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	28,274	420,243
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	1,153
Adjustments to tax charge in respect of prior periods	(37,759)	-
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(57,383)	(54,715)
Unrelieved tax losses carried forward	7,094	-
Other differences leading to an increase (decrease) in the tax charge	(8,727)	(286)
Group relief	41,549	-
<b>Total tax charge for the year</b>	<u>(26,952)</u>	<u>366,395</u>

**JEESAL AKMAN CARE CORPORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**11. Taxation (continued)**

**Factors that may affect future tax charges**

There are no factors that may affect future tax charges.

**12. Dividends**

	2020 £	2019 £
Equity dividends paid	1,000,000	2,075,000
	<u>1,000,000</u>	<u>2,075,000</u>

**13. Tangible fixed assets**

	Leasehold property improvements £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets in the course of construction £	Total £
<b>Cost or valuation</b>						
At 1 April 2019	-	831,721	340,340	276,722	22,409	1,471,192
Additions	56,121	12,758	11,257	132,826	43,152	256,114
Disposals	-	(776,290)	(154,191)	(33,375)	-	(963,856)
At 31 March 2020	<u>56,121</u>	<u>68,189</u>	<u>197,406</u>	<u>376,173</u>	<u>65,561</u>	<u>763,450</u>
<b>Depreciation</b>						
At 1 April 2019	-	396,697	214,893	143,979	-	755,569
Charge for the year on owned assets	1,123	62,104	19,767	37,684	-	120,678
Disposals	-	(426,782)	(96,560)	(19,021)	-	(542,363)
At 31 March 2020	<u>1,123</u>	<u>32,019</u>	<u>138,100</u>	<u>162,642</u>	<u>-</u>	<u>333,884</u>
<b>Net book value</b>						
At 31 March 2020	<u>54,998</u>	<u>36,170</u>	<u>59,306</u>	<u>213,531</u>	<u>65,561</u>	<u>429,566</u>
At 31 March 2019	<u>-</u>	<u>435,024</u>	<u>125,447</u>	<u>132,743</u>	<u>22,409</u>	<u>715,623</u>

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**JEESAL AKMAN CARE CORPORATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**13. Tangible fixed assets (continued)**

Assets in the course of construction are not depreciated until they are brought into use.

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Plant and machinery	-	376,712
Motor vehicles	38,724	94,538
	<u>38,724</u>	<u>471,250</u>

**14. Stocks**

	2020 £	2019 £
Finished goods and goods for resale	4,741	4,859
	<u>4,741</u>	<u>4,859</u>

An impairment loss of £Nil (2019: £Nil) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

**15. Debtors**

	2020 £	2019 £
Trade debtors	786,648	1,045,607
Amounts owed by group undertakings	458,721	964,497
Other debtors	70,800	758,937
Prepayments and accrued income	123,390	90,117
Deferred taxation	32,893	43,488
	<u>1,472,452</u>	<u>2,902,646</u>

An impairment loss of £Nil (2019: £Nil) was recognised against trade debtors.

**JEESAL AKMAN CARE CORPORATION LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**16. Cash and cash equivalents**

	2020 £	2019 £
Cash at bank and in hand	432,460	1,188,469
	<u>432,460</u>	<u>1,188,469</u>

**17. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Other loans	106,301	29,723
Trade creditors	647,714	536,980
Amounts owed to group undertakings	227,734	1,931,816
Amounts owed to associates	13,303	18,082
Corporation tax	-	365,557
Other taxation and social security	89,175	105,505
Obligations under finance lease and hire purchase contracts	114,624	163,037
Other creditors	267,681	215,037
Accruals and deferred income	125,232	58,550
	<u>1,591,764</u>	<u>3,424,287</u>

**18. Creditors: Amounts falling due after more than one year**

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	-	114,154
Other creditors	394,849	96,314
	<u>394,849</u>	<u>210,468</u>

**Secured loans**

Net obligations under finance leases and hire purchase contracts are secured by fixed charges on the assets concerned some of which are held by other group companies.



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**JEESAL AKMAN CARE CORPORATION LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2020**

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**19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	142,497	200,872
Between 1-2 years	-	142,497
	<u>142,497</u>	<u>343,369</u>
Less: finance charges allocated to future periods	27,873	66,178
	<u><u>114,624</u></u>	<u><u>277,191</u></u>

**20. Deferred taxation**

	2020 £	2019 £
At beginning of year	43,488	44,329
Charged to profit or loss	(10,595)	(841)
<b>At end of year</b>	<u><u>32,893</u></u>	<u><u>43,488</u></u>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	32,893	43,488
	<u><u>32,893</u></u>	<u><u>43,488</u></u>

The net reversal of deferred tax expected to occur in the next accounting period amounted to £38,175 (2019: £86,571).

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JEESAL AKMAN CARE CORPORATION LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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21. Provisions

	Dilapidation provision £
At 1 April 2019	344,866
At 31 March 2020	<u>344,866</u>

This provision reflects an estimate based on the workings of a Chartered Surveyor and relates to the expected cost of re-instating the property used by the company back to its' original condition as required by the lease agreements.

22. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
50 (2019 - 50) A ordinary shares of £1.00 each	50	50
50 (2019 - 50) B ordinary shares of £1.00 each	50	50
50 (2019 - 50) C ordinary shares of £1.00 each	50	50
50 (2019 - 50) D ordinary shares of £1.00 each	50	50
	<u>200</u>	<u>200</u>

All shares rank pari-passu.

23. Reserves

**Profit and loss account**

The profit and loss account includes all current and prior period retained profits and losses.

24. Contingent liabilities

The company, together with Jeasal Akman Holdings Limited, Jeasal Holdings Limited, Jeasal Residential Care Services Limited, Jeasal Support Services Limited, Jeasal Akman Services Limited and Pandora X Limited has given guarantees to its bankers in respect of monies due to the bank by the parties to the guarantees. As at 31 March 2020 the contingent liability in respect of the agreement amounted to £7,862,212 (2019: £8,630,793).

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**JEESAL AKMAN CARE CORPORATION LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**25. Pension commitments**

The company contributes into the directors' and employees' pension schemes. Total contributions made during the year were £92,151 (2019: £81,951) and there were £23,570 (2019: £19,484) contributions outstanding at the year end.

**26. Commitments under operating leases**

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	1,972,214	1,952,083
Later than 1 year and not later than 5 years	3,888,694	5,813,183
	<u>5,860,908</u>	<u>7,765,266</u>

**27. Related party transactions**

The company has taken advantage of the exemption available under FRS 102 not to disclose the transactions between wholly owned members of a group.

During the year a loan was made to T Akman, a director and shareholder of the company. At the year end balance outstanding on this loan was £5,249 (2019: £Nil). Interest was charged at the rate of 2% above base rate for the year amounting to £128 (2019: £Nil).

The directors have provided personal guarantees for other loans within the company up to a maximum of £641,768. At the year end the outstanding amount due was £501,150 (2019: £126,037).

**28. Post balance sheet events**

The directors are actively looking at various alternatives for the future of the hospital care provision within the wider Group's activities.

**29. Controlling party**

The ultimate parent company is Jeesal Akman Holdings Limited, a company registered in England and Wales.

The ultimate controlling parties are the directors and their close family.

Jeesal Akman Holdings Limited is the parent undertaking which consolidates these financial statements at 31 March 2020. The registered office of Jeesal Akman Holdings Limited is: 16-18 High Street, Dereham, Norfolk, NR19 1DR.