

REGISTER

Company Registration No. 01385930 (England and Wales)

BARKER CARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018

FRIDAY



A10 *A82RK4HD* #239
05/04/2019
COMPANIES HOUSE

John Cumming Ross Limited
1st Floor, Kirkland House
11-15 Peterborough Road
Harrow
Middlesex
HA1 2AX

BARKER CARE LIMITED

REGISTRAR

COMPANY INFORMATION

Directors	Mr M C Desai Mr A Desai Mrs M Desai Mr K C Desai
Secretary	Mrs M Desai
Company number	01385930
Registered office	20 Richmond Hill Clifton Bristol BS8 1BA
Auditor	John Cumming Ross Limited Chartered Certified Accountants 1st Floor, Kirkland House 11-15 Peterborough Road Harrow Middlesex HA1 2AX

CONTENTS

	Page
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's report	6 - 7
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 21

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2018**

The directors present the strategic report and financial statements for the year ended 31 July 2018.

Fair review of the business

The principal activity of the company was that of owning and operating nursing homes.

The company owns three nursing homes in separate locations: St. Teresa's Nursing Home, Bath, Eden Mansions Nursing Home, Cheshire and during the year the company purchased a new nursing home at Chester known as Grosvenor Gardens Nursing Home.

All the nursing homes provide accommodation for adults over 65 years who require nursing or personal care. In additions to this, Eden Mansions Nursing Home also provides care for Mental Disorder and Residential Dementia.

The company is actively pursuing construction of 82 bed nursing home in Brislington.

The company has made a profit during the year owing to improved trading results of all the nursing homes in comparison to last year with average increase in occupancy and average fees. The average fee increase was primarily due to increase in private fees and increase in Funded Nursing Care rates paid to the company for delivering nursing services. The fee uplift from local authorities continued to be lower than inflation and to mitigate this, the company continues to focus on improving the percentage of privately funded residents.

The company continues to invest in maintaining and improving the properties and fixtures and fittings of all the nursing homes to provide a comfortable, safe and happy environment for the residents. The directors regard this investment as being integral to the continuing success of the business and ensure the company provides its residents with a home which they can enjoy. The company places a strong importance on investing in the development and training of its staff to ensure that it meets all the statutory and regulatory requirements as well as providing a high level of service to their residents.

All the nursing homes are monitored by Care Quality Commission (CQC).

Financial instruments

The company's principal financial instruments comprise of bank balances, bank borrowings, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for and to finance the company's operations. In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments. Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to make the payments as and when they fall due. Trade debtors and cash flow are managed through credit processes to monitor and pursue overdue receipts from local councils and private residents.

Principal risks and uncertainties

The principal risks and uncertainties facing the company relate to the impact of potential increased competition, and the possible impact of future government legislations. The directors ensure they are up to date with legislation and monitor the impact on the company of new care homes opening in the local area. The main risks are:

1. Changes in agreements with local councils. A significant proportion of revenue is derived from public sources. Cuts in public spending will inhibit the company's ability to continue to provide services to disadvantaged adults.
2. The impact of Brexit would affect the operational process with regards to the availability of carers and nurses from the European Union.
3. The current immigration rules limit company's ability to recruit professional staff from outside the European Union.

Recruiting staff remains challenging but changes to the rate of pay and pay structure are having a positive effect.

STRATEGIC REPORT (CONTINUED)**FOR THE YEAR ENDED 31 JULY 2018**

There has been no indication that the local authorities and social services will change agreements considerably, thus these sources are not threatened with ageing population and increased demand for the services provided by the company.

The company has a risk management process in place, which is designed to identify, manage and mitigate business risk. It also has a dedicated Human Resource Department, an Operations head who ensures the recommendations by CQC are implemented and maintain highest level of care provisions to residents at all times and the quality of care is underpinned by a robust and comprehensive operating manual to guide local managers and staff.

The Chief Operating Officer and Directors have been involved in the management of the care homes for many years and have built up a considerable body of expertise. They are supported by trained nurses who have considerable experience in looking after the residents and their needs at the nursing homes. The most fundamental risk faced by the company is poor delivery of care which could impact on compliance with the Statutory Regulator and subsequently impact on occupancy and profitability. The company recognises this and has invested heavily in both their management team, management processes and quality assurance team which underpins the company's activities.

Development and performance

The company's profit on ordinary activities after taxation was £1,047,404 (2017: £1,452,706). Turnover for the year is £10,740,010 against £7,575,543 in the previous year. The results for the year are set out on page 8. The company's net current assets are £1,813,858 (2017:£1,154,647) and the shareholders funds are £7,782,505 (2017:£6,735,201) respectively as at the balance sheet date. The company has not declared dividends during the year (2017: £Nil).

Key performance indicators

Key Performance Indicators ('KPI') of the business are earnings before interest and tax, return on capital employed, average occupancy of care homes, customer satisfaction and CQC compliance.

	2018	2017
Turnover	£10,740,010	£7,575,543
Earnings before interest and tax	£1,785,139	£1,960,224
Return on capital employed	9%	15%
Average room occupancy	88%	90%

Other information and explanations

Considering the current challenging market conditions in the care home sector, the directors however are optimistic that there will be continued and sustained growth in the company for the foreseeable future.

Future developments

The nursing home being developed in Brislington will start accepting residents from November 2019 and the company will continue to invest in its existing care homes.

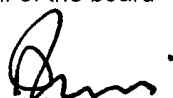
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

On 29 March 2017, the UK Government invoked Article 50 of the Treaty of Lisbon, notifying the European Council of its intention to withdraw from the European Union (the 'EU'). There is an initial two-year timeframe for the UK and EU to reach an agreement on the withdrawal and the future UK and EU relationship although this timeframe can be extended. At this stage, there is significant uncertainty about the withdrawal process; its timeframe; and the outcome of the negotiations about the future arrangements between the UK and the EU. As a result, there is significant uncertainty as to the period for which the existing EU laws for member states will continue to apply to the UK and which laws will apply to the UK after an exit. Following the negotiations between the UK and the EU, the UK's tax status may change and this may impact the Company.

There is inherent uncertainty surrounding the UK's exit from the EU and the impact on tax laws and rates. The directors have assessed and have not identified any significant matters impacting the financial statements.

On behalf of the board



Mr A Desai

Director

31/4/19

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

The directors present their annual report and financial statements for the year ended 31 July 2018.

Principal activities

The principal activity of the company was that of owning and operating nursing homes.

Directors

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

Mr M C Desai

Mr A Desai

Mrs M Desai

Mr K C Desai

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The company has by elective resolution dispensed with the obligation to appoint auditors annually in accordance with section 386 (1) of the Companies Act 1985. Therefore, the auditors, John Cumming Ross Limited will be deemed to be reappointed for each succeeding financial year.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

BARKER CARE LIMITED

REGISTERED

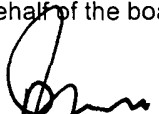
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2018

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.

On behalf of the board



.....
Mr A Desai

Director

.....
31/4/19

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BARKER CARE LIMITED**

Opinion

We have audited the financial statements of Barker Care Limited (the 'company') for the year ended 31 July 2018 which comprise of the Profit and Loss Account, 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 July 2018 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.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

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 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.

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF BARKER CARE LIMITED**

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 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 and the directors' report.

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

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

Responsibilities of directors

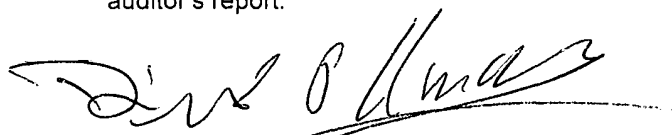
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.



Dilip Popatlal Unarket (Senior Statutory Auditor)
for and on behalf of John Cumming Ross Limited
Chartered Certified Accountants and Statutory Auditors
1st Floor, Kirkland House
11-15 Peterborough Road
Harrow
Middlesex
HA1 2AX

4/4/19

BARKER CARE LIMITED*ISTRAP***PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 JULY 2018**

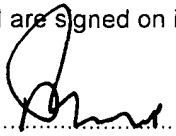
		2018 £	2017 £
	Notes		
Turnover	4	10,740,010	7,575,543
Cost of sales		(6,945,951)	(4,555,937)
Gross profit		3,794,059	3,019,606
Administrative expenses		(2,059,757)	(1,086,982)
Other operating income		50,837	27,600
Operating profit	5	1,785,139	1,960,224
Interest receivable and similar income	6	2,220	1,232
Interest payable and similar expenses	7	(259,336)	(177,439)
Amounts written off investments	8	-	21,347
Profit before taxation		1,528,023	1,805,364
Tax on profit	9	(480,619)	(352,658)
Profit for the financial year		1,047,404	1,452,706

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

BARKER CARE LIMITED*REGISTERED***BALANCE SHEET****AS AT 31 JULY 2018**

	Notes	2018 £	£	2017 £	£
Fixed assets					
Goodwill	10		1		1
Tangible assets	11	17,246,806		12,219,404	
		<u>17,246,807</u>		<u>12,219,405</u>	
Current assets					
Stocks	12	22,403		13,190	
Debtors	13	999,919		743,868	
Cash at bank and in hand		2,862,883		1,879,271	
		<u>3,885,205</u>		<u>2,636,329</u>	
Creditors: amounts falling due within one year	14	(2,071,347)		(1,481,682)	
Net current assets		<u>1,813,858</u>		<u>1,154,647</u>	
Total assets less current liabilities		<u>19,060,665</u>		<u>13,374,052</u>	
Creditors: amounts falling due after more than one year	15	(11,094,916)		(6,638,851)	
Provisions for liabilities		<u>(183,144)</u>		<u>-</u>	
Net assets		<u><u>7,782,605</u></u>		<u><u>6,735,201</u></u>	
Capital and reserves					
Called up share capital	18	100		100	
Profit and loss reserves		<u>7,782,505</u>		<u>6,735,101</u>	
Total equity		<u><u>7,782,605</u></u>		<u><u>6,735,201</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 3 April 2019 and are signed on its behalf by:



 Mr A. Desai
 Director

Company Registration No. 01385930

BARKER CARE LIMITED*ISTRAR***STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2018**

	Share capital £	Profit and loss reserves £	Total £
At 1 August 2016	100	5,282,395	5,282,495
Profit for the year	-	1,452,706	1,452,706
Balance At 31 July 2017	<u>100</u>	<u>6,735,101</u>	<u>6,735,201</u>
At 1 August 2017	100	6,735,101	6,735,201
Profit for the year	-	1,047,404	1,047,404
Balance at 31 July 2018	<u>100</u>	<u>7,782,505</u>	<u>7,782,605</u>

BARKER CARE LIMITED*ISTRAR***STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2018**

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	21	2,439,088		1,801,531	
Interest paid		(259,336)		(177,439)	
Income taxes paid		(533,524)		(201,550)	
Net cash inflow from operating activities		1,646,228		1,422,542	
Investing activities					
Purchase of tangible fixed assets		(5,176,526)		(700,949)	
Interest received		2,220		1,232	
Net cash used in investing activities		(5,174,306)		(451,990)	
Financing activities					
Proceeds of new bank loans		4,944,079		-	
Repayment of bank loans		(432,389)		(417,104)	
Net cash generated from/(used in) financing activities		4,511,690		(417,104)	
Net increase in cash and cash equivalents		983,612		553,448	
Cash and cash equivalents at beginning of year		1,879,271		1,325,823	
Cash and cash equivalents at end of year		2,862,883		1,879,271	

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2018**

1 Accounting policies**Company information**

Barker Care Limited is a private company limited by shares incorporated in England and Wales. The registered office is 20 Richmond Hill, Clifton, Bristol, BS8 1BA.

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

1.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents fees earned and which are accrued based on the number of days occupied by the residents. To the extent that invoices are raised in advance of services being performed, the income is deferred and the amounts are treated as deferred income within creditors.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life. The purchased goodwill of the subsidiary is written off during the year.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Land & Building : Freehold	0% per annum
Land & Building: Long Leasehold	0% per annum
Fixtures, fittings & equipment	15% per annum on straight line basis
Computer Equipment	15% per annum on a straight line basis
Motor vehicles	25% per annum on a reducing balance basis

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 account.

No depreciation is provided on freehold and long leasehold properties used for the company's activities. It is the company's policy to maintain these properties in a continuous state of sound repair and to extend and improve the properties from time to time, and accordingly, it is considered that the anticipated useful life of the properties is such that any charge for depreciation would be insignificant.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**FOR THE YEAR ENDED 31 JULY 2018**

1 Accounting policies**(Continued)****1.7 Cash and cash equivalents**

Cash at bank and in hand 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***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.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

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

1.9 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

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

1 Accounting policies**(Continued)****1.10 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.

1.11 Retirement benefits

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

1.12 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

3 Employees

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

	2018 Number	2017 Number
Nursing and administrative	278	194

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	6,106,461	3,926,839
Social security costs	448,026	331,234
Pension costs	50,250	23,504
	<u>6,604,737</u>	<u>4,281,577</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018**4 Turnover and other revenue**

An analysis of the company's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Rendering of services	10,740,010	7,575,543

Other significant revenue

	2018 £	2017 £
Interest income	2,220	1,232

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

5 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	16,200	14,800
Depreciation of owned tangible fixed assets	149,124	155,928
Cost of consumables	664,623	511,306

6 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest on bank deposits	2,220	1,232

7 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	259,336	177,439

8 Amounts written off investments
fixed asset investments

	2018 £	2017 £
Gain on disposal of financial assets held at cost	-	21,347

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

9 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	292,583	355,665
Adjustments in respect of prior periods	18	-
	<u>292,601</u>	<u>355,665</u>
Deferred tax		
Origination and reversal of timing differences	188,018	(3,007)
	<u>188,018</u>	<u>(3,007)</u>
Total tax charge	<u>480,619</u>	<u>352,658</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:

	2018 £	2017 £
Profit before taxation	1,528,023	1,805,364
	<u>1,528,023</u>	<u>1,805,364</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.83%)	290,324	357,913
Tax effect of expenses that are not deductible in determining taxable profit	1,304	(1,438)
Permanent capital allowances in excess of depreciation	4,874	(3,007)
Depreciation on assets not qualifying for tax allowances	28,333	30,912
Adjustments in respect of financial assets	-	(4,249)
Under/(over) provided in prior years	18	-
Deferred tax adjustments in respect of prior years	183,144	-
Capital allowances	(27,378)	(27,473)
	<u>480,619</u>	<u>352,658</u>
Taxation charge for the year	<u>480,619</u>	<u>352,658</u>

BARKER CARE LIMITED

ISTRAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2018

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 August 2017 and 31 July 2018	2,180,000
	<hr/>
Amortisation and impairment	
At 1 August 2017 and 31 July 2018	2,179,999
	<hr/>
Carrying amount	
At 31 July 2018	1
	<hr/>
At 31 July 2017	1
	<hr/>

BARKER CARE LIMITED

ALSTRAR

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 JULY 2018**

11 Tangible fixed assets

	Land & Building : Freehold £	Land & Building: Long Leasehold £	Fixtures, fittings & equipment £	Computer Equipment £	Motor vehicles £	Total £
Cost						
At 1 August 2017	7,069,010	4,713,898	1,750,408	15,627	16,250	13,565,193
Additions	5,176,526	-	-	-	-	5,176,526
At 31 July 2018	12,245,536	4,713,898	1,750,408	15,627	16,250	18,741,719
Depreciation and impairment						
At 1 August 2017	-	-	1,321,479	14,915	9,395	1,345,789
Depreciation charged in the year	-	-	146,699	711	1,714	149,124
At 31 July 2018	-	-	1,468,178	15,626	11,109	1,494,913
Carrying amount						
At 31 July 2018	12,245,536	4,713,898	282,230	1	5,141	17,246,806
At 31 July 2017	7,069,010	4,713,898	428,929	712	6,855	12,219,404

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

12 Stocks

	2018 £	2017 £
Consumables	22,403	13,190

13 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	849,975	640,618
Prepayments and accrued income	93,851	42,283
	943,826	682,901
Deferred tax asset (note 17)	56,093	60,967
	999,919	743,868

14 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans	16	612,589	556,964
Trade creditors		641,186	113,619
Gross amounts due to residents of Grosvenor Gardens Home		49,803	-
Corporation tax		114,742	355,665
Other taxation and social security		111,975	76,654
Other creditors		90,241	52,447
Accruals and deferred income		450,811	326,333
		2,071,347	1,481,682

15 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans	16	11,094,916	6,638,851
Amounts included above which fall due after five years are as follows:			
Payable by instalments		(5,867,508)	(4,410,993)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

16 Loans and overdrafts

	2018 £	2017 £
Bank loans	11,707,505	7,195,815
Payable within one year	612,589	556,964
Payable after one year	11,094,916	6,638,851

The bank loans are secured by fixed and floating charges over all the assets of the company.

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Balances:				
Accelerated capital allowances	-	-	56,093	60,967
Re rollover relief claimed on gain in prior years	183,144	-	-	-
	183,144	-	56,093	60,967
Movements in the year:				2018 £
Asset at 1 August 2017				(60,967)
Charge to profit or loss				4,874
Other				183,144
Liability at 31 July 2018				127,051

18 Share capital

	2018 £	2017 £
Ordinary share capital Issued and fully paid 100 Ordinary shares of £1 each	100	100
	100	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2018

19 Retirement benefit schemes

	2018	2017
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	50,250	23,504

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.

20 Related party transactions

During the year the company paid management fees to Cedar Care Homes Limited, a company in which the directors are shareholders amounting to £384,097 (2017: £220,989). As at the balance sheet date, the amount due to Cedar Care Homes Limited was £88,090 (2017: £35,495)

The amount due to Desai Care Homes a partnership in which the directors of the company are partners at the balance sheet date was £2,151 (2017-£16,952).

As at 31 July 2018, the amount due to Cedar Care Development Limited, a company in which Mr A Desai is a director amounting to £367,314.

21 Cash generated from operations

	2018	2017
	£	£
Profit for the year after tax	1,047,404	1,452,706
Adjustments for:		
Taxation charged	480,619	352,658
Finance costs	259,336	177,439
Investment income	(2,220)	(1,232)
Depreciation and impairment of tangible fixed assets	149,124	155,928
Amounts written off investments	-	(21,347)
Movements in working capital:		
(Increase) in stocks	(9,213)	(174)
(Increase) in debtors	(260,925)	(135,287)
Increase/(decrease) in creditors	774,963	(179,160)
Cash generated from operations	2,439,088	1,801,531