

REGISTERED

Company Registration No. 01385930 (England and Wales)

BARKER CARE LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

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

THURSDAY



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29/04/2021

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COMPANIES HOUSE

BARKER CARE LIMITED

COMPANY INFORMATION

Directors	Mr M C Desai Mr A Desai Mrs M Desai
Secretary	Mrs M Desai
Company number	01385930
Registered office	Mortimer House Clifton Down Road Bristol BS8 4AE
Auditor	John Cumming Ross Limited Chartered Certified Accountants 1st Floor, Kirkland House 11-15 Peterborough Road Harrow Middlesex HA1 2AX

BARKER CARE LIMITED

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BARKER CARE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JULY 2020

The directors present the strategic report and financial statements for the year ended 31 July 2020.

Fair review of the business

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

The company owns four nursing homes in separate locations: St. Teresa's Nursing Home, Bath, Eden Mansions Nursing Home, Cheshire and Grosvenor Villas in Chester and Arbour Walk which opened in Bristol in March 2020.

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

The company remains profitable but at a lower level than the previous year due to exceptional impacts on occupancy and costs, largely as a result of the COVID-19 epidemic. The underlying health of the business is strong and the Directors expect the business to return to normal trend levels during 2021. The average fees were stable or increasing. 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) and endeavor to meet all the standards as required by the 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 optimisation of interest of funds placed in deposit accounts. In addition major capital investments such as acquisition and redevelopment of sites is usually funded by bank lending secured on the relevant properties, so as not to impinge on operational cashflow. 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.

BARKER CARE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

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 legislation. 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. It is not yet known whether changes to the immigration regime post Brexit will have an impact on the ability to recruit staff from outside the U.K.
3. The COVID-19 epidemic has led to higher operating costs as the company put in place controls to minimise the spread of infection and cover staff absences. In all existing nursing homes, outbreak had a temporary impact on the occupancy levels. Nonetheless the company's operating processes have largely proved resilient and underlying demand for the company's services remain strong.

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

There has been no indication that the local authorities and social services will change agreements considerably, thus these sources are not threatened and an ageing population supports an 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 Care Quality Commission are implemented and maintain the 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 reputation 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 £975,834 (2019: £1,292,852). Turnover for the year is £13,495,011 against £12,007,737 in the previous year. The results for the year are set out on page 9. At the balance sheet date the company has a net current liability of £805,175 compared to net current assets of £2,222,533 in 2019. At the balance sheet date the shareholders funds of the company are £10,051,291 (2019: £9,075,457). During the year the company did not declare a dividend.

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.

	2020	2019
	£	£
Turnover	13,495,011	12,007,737
Earning before interest and tax	1,280,627	1,934,363
Return on capital	5%	8%
Average room occupancy	92%	90%

BARKER CARE LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

Directors' statement of duty to promote the success of the company

The directors have complied with the requirements of S172 of the Companies Act 2006. The duties are detailed in section 172 of the Companies Act 2006 are summarised as follows:

The directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole, and in doing so have regard (amongst other matters) to

- the likely consequences of any decisions in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customers and others,
- the impact of the company's operations on the community and environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

Employee practices

An equal opportunities statement and policies to ensure employees are treated with dignity, respect, and equality, regardless of gender, race, nationality, ethnic identity, national origin, religious beliefs, disability, age, marital status, family circumstance, sexual orientation or trade union activity are embedded in the company's operations manual which governs all aspects of operations including recruitment, training, promotion and discipline of staff.

The company runs regular forums with the representatives of staff both to inform employees about developments in the organisation and changes in processes and also to gather feedback on the company's operations.

Other information and explanations

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

Future developments

The company continues to seek growth opportunities and has acquired land in the Bristol area with permission to build a new nursing home in the future.

The UK's exit from the European Union at the end of the transitional period of 31 December 2020 has not yet a significant impact on the supplies or taxation arrangements.

On behalf of the board



Mr A Desai

Director

26/4/2021

ALSTRA

BARKER CARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JULY 2020

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

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 are as follows:

Mr M C Desai

Mr A Desai

Mrs M Desai

Mr K C Desai - Dec'd

(Deceased 2 May 2020)

Results and dividends

The results for the year are set out on page 9.

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

Employee involvement

The company runs regular forums with the representatives of staff both to inform employees about developments in the organisation and changes in processes and also to gather feedback on the company's operations.

Environmental matters- Energy and carbon reporting

Our energy efficiency actions have continued through the year with the following measure:

- a) Continuous monitoring and control of use of heating and power in our care homes.
- b) Minimise unnecessary transport movements through scheduling of staff.
- c) Investing in green energy initiatives at new sites (solar, pellet burners, CHP Plants)
- d) This is the first period of applying these regulations and no information is present for comparative period.

	2020
UK Energy use (KWH)	5.3m
Associated Greenhouse Gas Emissions (Tonnes CO2 Equivalent).	1037
Intensity Ratio- Emission per employee (CO2eTonnes/ Head)	3.68

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

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.

BARKER CARE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

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.

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

Date: 26/04/21

BARKER CARE LIMITED

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 2020 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 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 *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 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.

BARKER CARE LIMITED

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.

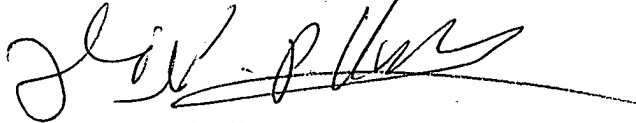
ALSTRA

BARKER CARE LIMITED

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



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

27/04/2021
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BARKER CARE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	2019 £
Turnover	3	13,495,011	12,007,737
Cost of sales		(9,136,458)	(7,655,500)
Gross profit		4,358,553	4,352,237
Administrative expenses		(3,155,373)	(2,502,967)
Other operating income		77,447	85,093
Operating profit	6	1,280,627	1,934,363
Interest receivable and similar income	7	6,463	11,037
Interest payable and similar expenses	8	(374,490)	(348,629)
Profit before taxation		912,600	1,596,771
Tax on profit	9	63,234	(303,919)
Profit for the financial year		975,834	1,292,852

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

BARKER CARE LIMITED

BALANCE SHEET

AS AT 31 JULY 2020

	Notes	2020 £	2019 £
Fixed assets			
Goodwill	10	1	1
Tangible assets	11	24,740,033	20,893,581
		<u>24,740,034</u>	<u>20,893,582</u>
Current assets			
Stocks	13	30,023	20,691
Debtors	14	984,006	1,530,696
Cash at bank and in hand		872,234	2,878,622
		<u>1,886,263</u>	<u>4,430,009</u>
Creditors: amounts falling due within one year	15	(2,691,438)	(2,207,476)
Net current (liabilities)/assets		<u>(805,175)</u>	<u>2,222,533</u>
Total assets less current liabilities		<u>23,934,859</u>	<u>23,116,115</u>
Creditors: amounts falling due after more than one year	16	(13,700,424)	(13,857,514)
Provisions for liabilities		<u>(183,144)</u>	<u>(183,144)</u>
Net assets		<u>10,051,291</u>	<u>9,075,457</u>
Capital and reserves			
Called up share capital	19	100	100
Profit and loss reserves		10,051,191	9,075,357
Total equity		<u>10,051,291</u>	<u>9,075,457</u>

The financial statements were approved by the board of directors and authorised for issue on 26/4/21 and are signed on its behalf by:


Mr A Desai
Director

Company Registration No. 01385930

REGISTERED

BARKER CARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JULY 2020

	Share capital £	Profit and loss reserves £	Total £
Balance at 1 August 2018	100	7,782,505	7,782,605
Year ended 31 July 2019:			
Profit and total comprehensive income for the year	-	1,292,852	1,292,852
Balance at 31 July 2019	100	9,075,357	9,075,457
Year ended 31 July 2020:			
Profit and total comprehensive income for the year	-	975,834	975,834
Balance at 31 July 2020	100	10,051,191	10,051,291

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BARKER CARE LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	22	2,419,217		1,564,783	
Interest paid		(374,490)		(348,629)	
Income taxes paid		(202,613)		(355,683)	
Net cash inflow from operating activities		1,842,114		860,471	
Investing activities					
Purchase of tangible fixed assets		(3,008,110)		(3,722,203)	
Proceeds on disposal of tangible fixed assets		(943,456)		4,501	
Interest received		6,463		11,037	
Net cash used in investing activities		(3,945,103)		(3,706,665)	
Financing activities					
Proceeds of new bank loans		-		3,284,744	
Repayment of bank loans		96,601		(422,811)	
Net cash generated from financing activities		96,601		2,861,933	
Net (decrease)/increase in cash and cash equivalents		(2,006,388)		15,739	
Cash and cash equivalents at beginning of year		2,878,622		2,862,883	
Cash and cash equivalents at end of year		872,234		2,878,622	

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Company information

Barker Care Limited is a private company limited by shares incorporated in England and Wales. The registered office is Mortimer House, Clifton Down Road, Bristol, BS8 4AE.

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 impact of the Coronavirus (COVID-19) globally has created uncertainty in the economy and businesses all around the world. Although the government has taken steps to alleviate this situation by issuing numerous forms of financial support, it is still unclear what impact COVID-19 will have. Although there was a temporary effect on the provision of services because of the lockdown, as the company is into nursing home services, there hasn't been any huge impact. The directors have reasonable expectation and assurance that the company will have adequate resources to continue operating for the foreseeable future.

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.

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 a straight line basis
Computer Equipment	15% per annum on a straight line 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.

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies (Continued)

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.

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

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.

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

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

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 leased asset are consumed.

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.

1.13 Government grants

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

1.14 Group accounts

The company has taken advantage of the exemption under section 405 (2) of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the inclusion is non material for the purpose of giving true and fair view. The financial statements present information about the company as an individual entity and not about its group.

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.

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BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

3 Turnover and other revenue

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

	2020 £	2019 £
Turnover analysed by class of business		
Rendering of services	13,495,011	12,007,737
	<u>13,495,011</u>	<u>12,007,737</u>
Other significant revenue		
Interest income	6,463	11,037
Grants received	11,525	-
	<u>11,525</u>	<u>-</u>

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

Government grant received of £11,525 relates to the Coronavirus Job Retention Scheme

4 Auditor's remuneration

	2020 £	2019 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	19,200	18,200
	<u>19,200</u>	<u>18,200</u>
For other services		
Taxation compliance services	1,379	1,008
All other non-audit services	118	112
	<u>1,497</u>	<u>1,120</u>

5 Employees

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

	2020 Number	2019 Number
Nursing and administrative	285	264
	<u>285</u>	<u>264</u>

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

5	Employees		(Continued)
	Their aggregate remuneration comprised:		
		2020	2019
		£	£
	Wages and salaries	8,004,653	6,749,560
	Social security costs	593,914	486,803
	Pension costs	119,452	85,570
		<u>8,718,019</u>	<u>7,321,933</u>
6	Operating profit		
		2020	2019
		£	£
	Operating profit for the year is stated after charging/(crediting):		
	Government grants	(11,525)	-
	Depreciation of owned tangible fixed assets	105,114	71,464
	Profit on disposal of tangible fixed assets	-	(537)
	Operating lease charges	<u>16,949</u>	<u>34,263</u>
7	Interest receivable and similar income		
		2020	2019
		£	£
	Interest income		
	Interest on bank deposits	<u>6,463</u>	<u>11,037</u>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	<u>6,463</u>	<u>11,037</u>
8	Interest payable and similar expenses		
		2020	2019
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	<u>374,490</u>	<u>348,629</u>
9	Taxation		
		2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	<u>3,458</u>	<u>294,799</u>

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

9	Taxation	(Continued)	
		2020	2019
		£	£
	Deferred tax		
	Origination and reversal of timing differences	(66,692)	9,120
	Total tax (credit)/charge	(63,234)	303,919

The actual (credit)/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:

	2020	2019
	£	£
Profit before taxation	912,600	1,596,771
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	173,394	303,386
Tax effect of expenses that are not deductible in determining taxable profit	632	430
Permanent capital allowances in excess of depreciation	(66,692)	9,120
Depreciation on assets not qualifying for tax allowances	19,972	13,578
Capital allowances	(190,540)	(22,595)
Taxation (credit)/charge for the year	(63,234)	303,919

10	Intangible fixed assets	Goodwill
		£
Cost		
At 1 August 2019 and 31 July 2020		2,180,000
Amortisation and impairment		
At 1 August 2019 and 31 July 2020		2,179,999
Carrying amount		
At 31 July 2020		1
At 31 July 2019		1

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

11 Tangible fixed assets

	Land & Building: Freehold	Land & Building: Long Leasehold	Fixtures, fittings & equipment	Computer Equipment	Total
	£	£	£	£	£
Cost					
At 1 August 2019	15,966,121	4,713,898	455,286	1,618	21,136,923
Additions	2,207,299	5,508	773,279	22,024	3,008,110
Transfers from investment	943,456	-	-	-	943,456
At 31 July 2020	19,116,876	4,719,406	1,228,565	23,642	25,088,489
Depreciation and impairment					
At 1 August 2019	-	-	243,342	-	243,342
Depreciation charged in the year	-	-	103,770	1,344	105,114
At 31 July 2020	-	-	347,112	1,344	348,456
Carrying amount					
At 31 July 2020	19,116,876	4,719,406	881,453	22,298	24,740,033
At 31 July 2019	15,966,121	4,713,898	211,944	1,618	20,893,581

12 Fixed asset investments

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
Additions	943,456
Transfer to freehold land and building	(943,456)
At 31 July 2020	-
Carrying amount	
At 31 July 2020	-
At 31 July 2019	-

The company acquired 100% share capital of Bence Residential Limited on 11 December 2019. The assets and liabilities of the subsidiary company were transferred to Barker Care Limited. Bence Residential Limited ceased trading from 12 December 2019 and has been dormant.

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

13 Stocks

	2020	2019
	£	£
Consumables	30,023	20,691

14 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	592,179	1,017,309
Corporation tax recoverable	145,297	
Other debtors		395,503
Prepayments and accrued income	132,865	70,911
	870,341	1,483,723
Deferred tax asset (note 18)	113,665	46,973
	984,006	1,530,696

15 Creditors: amounts falling due within one year

	Notes	2020	2019
		£	£
Bank loans	17	965,615	711,924
Trade creditors		600,384	312,681
Gross amounts due to resident of Grosvenor Gardens Home		11,575	21,140
Corporation tax		-	53,858
Other taxation and social security		169,182	114,834
Other creditors		255,704	78,004
Accruals and deferred income		688,978	915,035
		2,691,438	2,207,476

16 Creditors: amounts falling due after more than one year

	Notes	2020	2019
		£	£
Bank loans and overdrafts	17	13,700,424	13,857,514
Amounts included above which fall due after five years are as follows:			
Payable by instalments		10,803,580	9,658,878

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

17 Loans and overdrafts

	2020 £	2019 £
Bank loans	14,666,039	14,569,438
Payable within one year	965,615	711,924
Payable after one year	13,700,424	13,857,514

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

The interest is chargeable at 2.15% per annum over the bank's sterling base rate.

18 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £	Assets 2020 £	Assets 2019 £
Balances:				
Accelerated capital allowances	-	-	113,665	46,973
Re rollover relief claimed on gain in prior years	183,144	183,144		
	183,144	183,144	113,665	46,973

	2020 £
Movements in the year:	
Liability at 1 August 2019	136,171
Credit to profit or loss	(66,692)
Liability at 31 July 2020	69,479

19 Share capital

	2020 £	2019 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100

BARKER CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

20 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	119,452	85,570

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.

21 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 £754,481 (2019: £468,494). As at the balance sheet date, the amount due to Cedar Care Homes Limited was £199,711 (2019: £78,004).

The amount due to/(from) Desai Care Homes a partnership in which the directors of the company are partners at the balance sheet date was £9,036 (2019: £(383,948)).

As at 31 July 2020, the amount due to Cedar Care Development Limited, a company in which Mr A Desai is a director was £128,418 (2019: £Nil).

22 Cash generated from operations

	2020	2019
	£	£
Profit for the year after tax	975,834	1,292,852
Adjustments for:		
Taxation (credited)/charged	(63,234)	303,919
Finance costs	374,490	348,629
Investment income	(6,463)	(11,037)
Gain on disposal of tangible fixed assets	-	(537)
Depreciation and impairment of tangible fixed assets	105,114	71,464
Movements in working capital:		
(Increase)/decrease in stocks	(9,332)	1,712
Decrease/(increase) in debtors	758,679	(539,897)
Increase in creditors	284,129	97,678
Cash generated from operations	2,419,217	1,564,783