Company registration number 05422956 (England and Wales)

WILLOWS CARE CENTRE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2024

WILLOWS CARE CENTRE LIMITED

COMPANY INFORMATION

Director	Mr Osman Ertosun
Company number	05422956
Registered office	Kalamu House 11 Coldbath Square London EC1R 5HL
Auditor	KLSA LLP Kalamu House 11 Coldbath Square London EC1R 5HL
Bankers	Barclays Bank Plc 50 Pall Mall PO Box 15162 London SW1A 1QB

WILLOWS CARE CENTRE LIMITED

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WILLOWS CARE CENTRE LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2024

The director presents his annual report and financial statements for the year ended 31 March 2024.

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

Director
The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr Osman Ertosun

Auditor
The auditor, KLSA LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

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.

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

On behalf of the board

Mr Osman Ertosun
Director

17 December 2024

WILLOWS CARE CENTRE LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2024

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILLOWS CARE CENTRE LIMITED

Opinion

We have audited the financial statements of Willows Care Centre Limited (the 'company') for the year ended 31 March 2024 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2024 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorized for issue.

Our responsibilities and the responsibilities of the director with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILLOWS CARE CENTRE LIMITED (CONTINUED)

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report. We have nothing to report in respect of the following matters 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the director's report and from the requirement to prepare a strategic report.

Responsibilities of director
As explained more fully in the director's responsibilities statement, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the director determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities , including fraud and non-compliance with laws and regulations
To identify risks of material misstatement due to any irregularities, including fraud and non-compliance with laws and regulations, we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector; and
- we focused on specific laws and regulations which we considered may have a direct material effect on the operations of the company, financial statements including the Companies Act 2006, taxation legislation and data protection, employment, health and safety legislation and Care Quality Commission (Registration) Regulations 2009.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WILLOWS CARE CENTRE LIMITED (CONTINUED)

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.
- reviewed the financial statements disclosures and determining whether accounting policies have been appropriately applied.
- obtaining third-party confirmation of material bank balances.
- documenting and verifying all significant related party balances and transactions.

To address the risk of non-compliance with laws and regulations, we communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation) and taxation legislation (including payroll taxes) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statements items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: Care Quality Commission's Inspections and healthcare and safety legislation regulations. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards; for instance, any non-compliance with laws and regulations and fraud which is far removed from transactions reflected in the financial statements would diminish the likelihood of detection. Furthermore, the risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting one resulting from error.

Fraud may involve deliberate concealment by, for example, forgery or intentional omissions, misrepresentation, or through an act of collusion that would mitigate internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.

Shilpa Chheda
Senior Statutory Auditor
For and on behalf of KLSA LLP

19 December 2024

Chartered Accountants
Statutory Auditor

Kalamu House
11 Coldbath Square
London
EC1R 5HL

WILLOWS CARE CENTRE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2023 £
Turnover	**3**	6,354,724	5,870,810
Cost of sales		(3,335,259)	(3,197,385)
Gross profit		3,019,465	2,673,425
Distribution costs		(71,717)	(62,305)
Administrative expenses		(2,641,088)	(2,281,090)
Other operating income		218,479	26,828
Operating profit	**4**	525,139	356,858
Interest receivable and similar income	**7**	276	222
Profit before taxation		525,415	357,080
Tax on profit	**8**	(119,666)	(62,429)
Profit for the financial year		405,749	294,651

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

WILLOWS CARE CENTRE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2024

	2024	2023
	£	£
Profit for the year	405,749	294,651
Other comprehensive income	-	-
Total comprehensive income for the year	405,749	294,651

WILLOWS CARE CENTRE LIMITED

BALANCE SHEET

AS AT 31 MARCH 2024

		2024		2023	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**9**		153,376		116,915
Current assets					
Stocks	**10**	5,400		5,100	
Debtors	**11**	2,194,512		990,563	
Cash at bank and in hand		6,580		600	
		2,206,492		996,263	
Creditors: amounts falling due within one year	**12**	(2,619,087)		(1,778,146)	
Net current liabilities			(412,595)		(781,883)
Net liabilities			(259,219)		(664,968)
Capital and reserves					
Called up share capital	**15**		10,000		10,000
Profit and loss reserves			(269,219)		(674,968)
Total equity			(259,219)		(664,968)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 17 December 2024

Mr Osman Ertosun
Director

Company registration number 05422956 (England and Wales)

WILLOWS CARE CENTRE LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2024

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2022	10,000	(969,619)	(959,619)
Year ended 31 March 2023:			
Profit and total comprehensive income	-	294,651	294,651
Balance at 31 March 2023	10,000	(674,968)	(664,968)
Year ended 31 March 2024:			
Profit and total comprehensive income	-	405,749	405,749
Balance at 31 March 2024	10,000	(269,219)	(259,219)

WILLOWS CARE CENTRE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2024

	Notes	2024 £	2024 £	2023 £	2023 £
Cash flows from operating activities					
Cash generated from operations	**19**		251,907		248,926
Income taxes paid			(179,000)		(224,494)
Net cash inflow from operating activities			72,907		24,432
Investing activities					
Purchase of tangible fixed assets		(63,932)		(32,198)	
Interest received		276		222	
Net cash used in investing activities			(63,656)		(31,976)
Net increase/(decrease) in cash and cash equivalents			9,251		(7,544)
Cash and cash equivalents at beginning of year			(2,671)		4,873
Cash and cash equivalents at end of year			6,580		(2,671)
Relating to:					
Cash at bank and in hand			6,580		600
Bank overdrafts included in creditors payable within one year			-		(3,271)

1 Accounting policies

Company information

Willows Care Centre Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kalamu House, 11 Coldbath Square, London, EC1R 5HL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

1.2 Change in accounting estimate

On 1st April 2023, the company changed its depreciation policy for fixtures, fittings and equipment from the reducing balance method to the straight-line method, in order to provide a more accurate and transparent representation of the assets' depreciation over their useful lives.

The straight-line method evenly spreads the cost of the asset over its expected life, aligning more closely with the actual usage patterns of these assets.

This adjustment not only enhances comparability across reporting periods but also improves the reliability of financial statements, ensuring that asset values are more consistently aligned with their economic reality.
By adopting this method, the company aims to provide stakeholders with clearer insights into the company's financial position and asset utilisation.

The change does not have a significant effect.

1.3 Going concern

At the time of approving the financial statements, the company has a net current liability of £431,951 (2023: £781,883) and a deficit in net reserves of £259,219 (2023: 664,968)

In accordance with his responsibilities, the director has considered the appropriateness of the going concern basis for the preparation of the financial statements. For this basis he has reviewed the financial and cash flow projections for the next 12 months from the date of the approval of the financial statements.

On the basis of this, the director has a reasonable expectation that the company will continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements. These financial statements are prepared on the going concern basis.

1.4 Turnover

Turnover represents fees receivable for care services. Turnover is recognised as it is incurred, either daily, weekly or monthly. Where charges are billed in advance these are recorded as deferred income.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at valuation, net of depreciation and any impairment losses.

1 Accounting policies **(Continued)**

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Over the term of the lease
Leasehold improvements	Over the term of the lease
Fixtures, fittings & equipment	Straight line on cost over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Depreciation and residual values
The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

De-recognition
Tangible assets are de-recognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its net realisable value is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1 Accounting policies **(Continued)**

1.8 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.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

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

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

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 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 Accounting policies **(Continued)**

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

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.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

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.

1.16 Comparatives

There were no changes in presentation in the current year.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of debtors

The company reviews their portfolio of trade debtors on an annual basis. In determining whether trade debtors are impaired, the management makes judgement as to whether there is any evidence indicating that there is a measurable decrease in the estimated future cash flows expected.

2 Judgements and key sources of estimation uncertainty **(Continued)**

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible assets

Management reviews the useful lives, depreciation methods and residual values of the items of property, plant and equipment. During the financial year the directors determined no significant changes in the useful lives and residual values. The carrying amounts of property, plant and equipment are disclosed in note 10.

Staff costs accrual

The monetary liability for employees' accrued holidays and management approved bonus at the reporting date is recognised as an expense accrual.

3 Turnover and other revenue

	2024	2023
	£	£
Other revenue		
Interest income	276	222
Grants received	118	2,104

4 Operating profit

	2024	2023
Operating profit for the year is stated after charging/(crediting):	£	£
Government grants	(118)	(2,104)
Depreciation of owned tangible fixed assets	27,471	36,197
Operating lease charges	809,809	909,569

5 Employees

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

	2024	2023
	Number	Number
Care Staff	108	100
Administration	4	5
Managerial	3	3
Total	114	108

5 Employees (Continued)

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	3,664,789	3,360,598
Pension costs	66,997	59,935
	3,731,786	3,420,533

6 Director's remuneration

	2024	2023
	£	£
Remuneration for qualifying services	17,739	7,720

7 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on bank deposits	276	222

	2024	2023
Investment income includes the following:	£	£
Interest on financial assets not measured at fair value through profit or loss	276	222

8 Taxation

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	119,666	62,429

On 1 April 2023, the rate of corporation tax increased to 25%.

8 Taxation (Continued)

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:

	2024	2023
	£	£
Profit before taxation	525,415	357,080
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%)	131,354	67,845
Tax effect of expenses that are not deductible in determining taxable profit	-	326
Adjustments in respect of prior years	(1,539)	(3,709)
Permanent capital allowances in excess of depreciation	(10,149)	(2,033)
Taxation charge for the year	119,666	62,429

9 Tangible fixed assets

	Land and buildings Leasehold	Leasehold improvements	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2023	77,951	86,965	680,638	845,554
Additions	-	-	63,932	63,932
At 31 March 2024	77,951	86,965	744,570	909,486
Depreciation and impairment				
At 1 April 2023	65,179	66,428	597,032	728,639
Depreciation charged in the year	982	2,054	24,435	27,471
At 31 March 2024	66,161	68,482	621,467	756,110
Carrying amount				
At 31 March 2024	11,790	18,483	123,103	153,376
At 31 March 2023	12,772	20,537	83,606	116,915

10 Stocks

	2024	2023
	£	£
Food and consumables	5,400	5,100

11 Debtors

	2024	2023
Amounts falling due within one year:	**£**	**£**
Trade debtors	532,141	774,952
Corporation tax recoverable	144,505	85,171
Amounts owed by group undertakings	1,413,393	111,269
Other debtors	80,861	702
Prepayments and accrued income	23,612	18,469
	2,194,512	990,563

12 Creditors: amounts falling due within one year

	Notes	2024 £	2023 £
Bank loans and overdrafts	13	-	3,271
Trade creditors		64,907	56,747
Amounts owed to group undertakings		550,731	50,160
Taxation and social security		54,324	44,322
Other creditors		1,566,967	1,148,915
Accruals and deferred income		382,158	474,731
		2,619,087	1,778,146

13 Loans and overdrafts

	2024 £	2023 £
Bank overdrafts	-	3,271
Payable within one year	-	3,271

14 Retirement benefit schemes

	2024	2023
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	66,997	59,935

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.

15 Share capital

	2024	2023	2024	2023
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	10,000	10,000	10,000	10,000

15 Share capital **(Continued)**

16 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	£
Within one year	245,000	750,000
Between two and five years	2,067,123	3,000,000
	2,312,123	3,750,000

17 Related party transactions

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

The following amounts were outstanding at the reporting end date:

The balance receivable from related parties at the year end date is as follows:

Park Avenue Healthcare Limited - £1,337,122 (2023 - nil)

Excelcare Equities Limited - £54,167 (2023 - £54,167)

There were also material transactions between the company and Park Avenue Healthcare Limited, which acts as the group's current head office. The nature of the transactions were allocations of head office expenses including amounts for wages and salaries, funds transfer and general overheads i.e. transactions in the normal course of business.

There were material transactions with Excelcare Equities Limited which is the company's previous landlord. The nature of the transactions was rental charges and payments.

The balances payable to related parties at the year end date are as follows:

Neath Hill Care Centre Limited - £ 315,530 (2023 - nil)

Excelcare (Cambridge) Ltd - £219,898 (2023 - £(57,102))

There were material transactions between the company and Neath Hill Care Centre Limited as it acts as the regional office for these companies. The nature of transactions are allocations for regional office expenses including amounts for wages and salaries and general overheads i.e. transactions in the normal course of business.

There were material transactions between the company and Excelcare (Cambridge) Limited which relate to daily treasury sweeps made by the company in order to earn interest income. The deposits from the daily sweeps are done by Excelcare Cambridge on behalf of the company during the period.

18 Ultimate controlling party

In the opinion of the director, the ultimate parent company is Excel Portfolios Limited, a company registered in Jersey. The immediate parent company is Excelcare (Cambridge) Limited, a company incorporated in England & Wales. The ultimate joint controlling party is E. Ertosun and O. Ertosun.

The smallest undertaking for which group financial statements are prepared is Excelcare (Cambridge) Limited. The copies of these consolidated financial statements can be obtained from Kalamu House, 11 Coldbath Square, London EC1R 5HL.

The largest undertaking for which group financial statements are prepared is Excel Portfolios Limited. The copies of these consolidated financial statements can be obtained from St Paul's Gate, Fourth Floor, 22 – 24 New Street, St Helier, Jersey JE1 4TR.

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19 Cash generated from operations

	2024	2023
	£	£
Profit for the year after tax	405,749	294,651
Adjustments for:		
Taxation charged	119,666	62,429
Investment income	(276)	(222)
Depreciation and impairment of tangible fixed assets	27,471	36,197
Movements in working capital:		
Increase in stocks	(300)	(500)
(Increase)/decrease in debtors	(1,144,615)	209,446
Increase/(decrease) in creditors	844,212	(353,075)
Cash generated from operations	251,907	248,926

20 Analysis of changes in net funds/(debt)

	1 April 2023	Cash flows	31 March 2024
	£	£	£
Cash at bank and in hand	600	5,980	6,580
Bank overdrafts	(3,271)	3,271	-
	(2,671)	9,251	6,580