

REGISTRAR

SUNFLOWER HEALTHCARE (GREENFORD) LLP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

MONDAY



L88B7D23

LD3

24/06/2019

#44

COMPANIES HOUSE

SUNFLOWER HEALTHCARE (GREENFORD) LLP

INFORMATION

Designated Members

Mr R S Patel
Mrs M H Shah
Mr M V Khiroya
Mr B R Patel
Mr H M Shah

LLP registered number

OC320571

Registered office

Canjayar, Tydcombe Road, Warlingham, Surrey, CR6 9LU

Independent auditors

Simmons Gainsford LLP, 7-10 Chandos Street, London, W1G 9DQ

SUNFLOWER HEALTHCARE (GREENFORD) LLP

CONTENTS

	Page
Members' report	1 - 2
Independent auditors' report	3 - 5
Consolidated statement of comprehensive income	6
Consolidated balance sheet	7 - 8
LLP balance sheet	9 - 10
Consolidated statement of changes in equity	11
LLP statement of changes in equity	12
Consolidated Statement of cash flows	13 - 14
Notes to the financial statements	15 - 33

SUNFLOWER HEALTHCARE (GREENFORD) LLP

MEMBERS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2018

The members present their annual report together with the audited financial statements of Sunflower Healthcare (Greenford) LLP (the "LLP and the Group") for the ended 30 September 2018.

Principal activities

The principal activity of the LLP continued to be the ownership of a property which is let to a registered care home for the elderly.

The principal activity of the Group which includes Neem Tree Care Limited continues to be that of operating a care home.

Designated Members

Mr R S Patel, Mrs M H Shah, Mr M V Khirya, Mr B R Patel and Mr H M Shah were designated members of the LLP and the Group throughout the period.

Members' capital and interests

Each member's subscription to the capital of the LLP is determined by their share of the profit and is repayable following retirement from the LLP.

Details of changes in members' capital in the ended 30 September 2018 are set out in the financial statements.

Members are remunerated from the profits of the LLP and are required to make their own provision for pensions and other benefits. Profits are allocated and divided between members after finalisation of the financial statements. Members draw a proportion of their profit shares monthly during the year in which it is made, with the balance of profits being distributed after the year, subject to the cash requirements of the business.

Members' responsibilities statement

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

Company law, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008), requires the members to prepare financial statements for each financial year. Under that law the members 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, (as applied by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008) the members 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 LLP and the Group and of the profit or loss of the Group for that period.

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

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

The members are responsible for keeping adequate accounting records that are sufficient to show and explain the LLP and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006 (as

SUNFLOWER HEALTHCARE (GREENFORD) LLP


**MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

applied by The Limited Liability Partnerships (Accounts and Audit) (Application of the Companies Act 2006) Regulations 2008). They are also responsible for safeguarding the assets of the LLP and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

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

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



.....
Mr R S Patel

Designated member

Date: 18/6/2019

SUNFLOWER HEALTHCARE (GREENFORD) LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNFLOWER HEALTHCARE (GREENFORD) LLP

Opinion

We have audited the financial statements of Sunflower Healthcare (Greenford) LLP (the 'parent LLP') and its subsidiaries (the 'Group') for the year ended 30 September 2018, which comprise the Group Statement of comprehensive income, the Group and LLP Balance sheets, the Group Statement of cash flows, the Group and LLP Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent LLP's affairs as at 30 September 2018 and of the Group's 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, as applied to limited liability partnerships by The Limited Liability Partnerships (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008.

Basis for opinion

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

Conclusions relating to going concern

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

- the members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent LLP'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 members are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNFLOWER HEALTHCARE (GREENFORD) LLP (CONTINUED)

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.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006, as applied to limited liability partnerships, requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent LLP, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent LLP financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of members

As explained more fully in the Members' responsibilities statement on page 1, the members 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 members 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 members are responsible for assessing the Group's and the parent LLP'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 members either intend to liquidate the Group or the parent LLP or to cease operations, or have no realistic alternative but to do so.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SUNFLOWER HEALTHCARE
(GREENFORD) LLP (CONTINUED)**

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the LLP's members in accordance with Chapter 3 of Part 16 of the Companies Act 2006, as applied by Part 12 of The Limited Liability Partnerships (Accounts and Audit) (Applications of Companies Act 2006) Regulations 2008. Our audit work has been undertaken so that we might state to the LLP's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the LLP and the LLP's members for our audit work, for this report, or for the opinions we have formed.



Rajiv Thakerar FCA (Senior statutory auditor)

for and on behalf of

Simmons Gainsford LLP

Chartered Accountants

Statutory Auditors

7-10 Chandos Street

London

W1G 9DQ

Date: **20 June 2019**

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Note	2018 £	2017 £
Turnover	3	2,647,827	2,188,970
Cost of sales		(1,382,759)	(1,326,724)
		<hr/>	<hr/>
Gross profit		1,265,068	862,246
Administrative expenses		(303,383)	(282,865)
		<hr/>	<hr/>
Operating profit	5	961,685	579,381
Interest receivable and similar income	9	-	9,567
Interest payable and expenses	10	(126,530)	(93,027)
		<hr/>	<hr/>
Profit before tax		835,155	495,921
Tax on profit	11	(141,124)	(81,960)
		<hr/>	<hr/>
Profit before members' remuneration and profit shares available for discretionary division among members		694,031	413,961
		<hr/>	<hr/>
Profit for the year attributable to:			
Owners of the parent LLP		694,031	413,961
		<hr/>	<hr/>
		694,031	413,961
		<hr/>	<hr/>

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 15 to 33 form part of these financial statements.

SUNFLOWER HEALTHCARE (GREENFORD) LLP
REGISTERED NUMBER: OC320571

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	3,674,523	3,737,892
		<u>3,674,523</u>	<u>3,737,892</u>
Current assets			
Debtors: amounts falling due within one year	14	1,986,940	1,946,086
Cash at bank and in hand	15	497,827	435,128
		<u>2,484,767</u>	<u>2,381,214</u>
Creditors: amounts falling due within one year	16	(677,911)	(659,741)
Net current assets		<u>1,806,856</u>	<u>1,721,473</u>
Total assets less current liabilities		<u>5,481,379</u>	<u>5,459,365</u>
Creditors: amounts falling due after more than one year		(4,735,502)	(4,905,650)
Provisions for liabilities			
Deferred taxation	20	(8,811)	(9,694)
		<u>(8,811)</u>	<u>(9,694)</u>
Net assets		<u><u>737,066</u></u>	<u><u>544,021</u></u>
Capital and reserves			
Members' other interests	21		
Members' capital classified as equity		-	159,073
Other reserves classified as equity		737,066	384,948
		<u>737,066</u>	<u>544,021</u>
		<u><u>737,066</u></u>	<u><u>544,021</u></u>
Total members' interests			
Amounts due from members (included in debtors)	14	(1,584,819)	(1,616,920)
Members' other interests		<u>737,066</u>	<u>544,021</u>
		<u><u>(847,753)</u></u>	<u><u>(1,072,899)</u></u>

SUNFLOWER HEALTHCARE (GREENFORD) LLP
REGISTERED NUMBER: OC320571

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2018

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:



.....
Mr R S Patel

Designated member

Date: 18/6/2019

The notes on pages 15 to 33 form part of these financial statements.

SUNFLOWER HEALTHCARE (GREENFORD) LLP
REGISTERED NUMBER: OC320571

LLP BALANCE SHEET
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	8,122,651	8,269,556
Investments	13	1,000	1,000
		<u>8,123,651</u>	<u>8,270,556</u>
Current assets			
Debtors: amounts falling due within one year	14	1,390,696	1,422,797
Cash at bank and in hand	15	674	137,417
		<u>1,391,370</u>	<u>1,560,214</u>
Creditors: amounts falling due within one year	16	(469,255)	(389,447)
Net current assets		<u>922,115</u>	<u>1,170,767</u>
Total assets less current liabilities		<u>9,045,766</u>	<u>9,441,323</u>
Creditors: amounts falling due after more than one year		(4,735,502)	(4,905,650)
Net assets		<u><u>4,310,264</u></u>	<u><u>4,535,673</u></u>


SUNFLOWER HEALTHCARE (GREENFORD) LLP
REGISTERED NUMBER: OC320571

LLP BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2018

	Note	2018 £	2017 £
Represented by:			
Members' other interests	21		
Members' capital classified as equity		-	159,073
Other reserves classified as equity brought forward		4,376,600	4,443,011
Profit for the year available for discretionary division among members		20,108	22,122
Other movements in other reserves		(86,444)	(88,533)
Other reserves classified as equity carried forward		4,310,264	4,376,600
		<u>4,310,264</u>	<u>4,535,673</u>
		<u>4,310,264</u>	<u>4,535,673</u>
Total members' interests			
Amounts due from members (included in debtors)	14	(1,390,696)	(1,422,797)
Members' other interests		4,310,264	4,535,673
		<u>2,919,568</u>	<u>3,112,876</u>

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statement. The profit for the financial year available for discretionary division among members was £20,108 (2017 - £22,122).

The financial statements were approved and authorised for issue by the members and were signed on their behalf by:



.....
Mr R S Patel

Designated member

Date: 18/6/2019

The notes on pages 15 to 33 form part of these financial statements.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Members capital (classified as equity) £	Other reserves £	Equity attributable to members £	Total equity £
At 1 October 2016	2,097,322	370,103	2,467,425	2,467,425
Comprehensive income for the year				
Profit for year for discretionary division among members	-	413,961	413,961	413,961
Contributions by and distributions to members				
Capital amounts repaid to members	(1,938,249)	-	(1,938,249)	(1,938,249)
Allocated profit for period	-	(88,533)	(88,533)	(88,533)
Subsidiary dividends	-	(310,583)	(310,583)	(310,583)
At 1 October 2017	159,073	384,948	544,021	544,021
Comprehensive income for the year				
Profit for year for discretionary division among members	-	694,031	694,031	694,031
Contributions by and distributions to members				
Capital amounts repaid to members	(159,073)	-	(159,073)	(159,073)
Allocated profit for period	-	(86,444)	(86,444)	(86,444)
Subsidiary dividends	-	(255,469)	(255,469)	(255,469)
At 30 September 2018	-	737,066	737,066	737,066

The notes on pages 15 to 33 form part of these financial statements.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**LLP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	Members' capital classified as equity £	Other reserves £	Total equity £
At 1 October 2016	2,097,322	4,443,011	6,540,333
Comprehensive income for the year			
Profit for year for discretionary division among members	-	22,122	22,122
Contributions by and distributions to members			
Capital amounts repaid to members	(1,938,249)	-	(1,938,249)
Allocated profit for period	-	(88,533)	(88,533)
Restated As At 1 October 2017	<u>159,073</u>	<u>4,376,600</u>	<u>4,535,673</u>
Comprehensive income for the year			
Profit for year for discretionary division among members	-	20,108	20,108
Contributions by and distributions to members			
Capital amounts repaid to members	(159,073)	-	(159,073)
Allocated profit for period	-	(86,444)	(86,444)
At 30 September 2018	<u><u>-</u></u>	<u><u>4,310,264</u></u>	<u><u>4,310,264</u></u>

The notes on pages 15 to 33 form part of these financial statements.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	694,031	413,961
Adjustments for:		
Depreciation of tangible assets	77,392	80,964
Loss on disposal of tangible assets	(1,351)	-
Interest paid	126,530	93,027
Interest received	-	(9,567)
Taxation charge	141,123	81,960
(Increase)/decrease in debtors	(72,952)	74,564
Increase in creditors	12,348	16,980
Corporation tax (paid)	(82,296)	(110,873)
Net cash generated from operating activities before transactions with members	894,825	641,016
Cash flows from investing activities		
Purchase of tangible fixed assets	(46,457)	(25,501)
Interest received	-	9,567
Net cash from investing activities	(46,457)	(15,934)
Cash flows from financing activities		
New secured loans	-	5,109,563
Repayment of loans	(190,254)	(3,322,216)
Interest paid	(126,530)	(93,027)
Members' capital repaid	(159,073)	(1,938,249)
Subsidiary dividends paid	(255,469)	(310,583)
Drawings paid to members	(54,343)	-
Net cash used in financing activities	(785,669)	(554,512)
Net increase in cash and cash equivalents	62,699	70,570

SUNFLOWER HEALTHCARE (GREENFORD) LLP

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2018

	2018 £	2017 £
Cash and cash equivalents at beginning of year	435,128	364,558
Cash and cash equivalents at the end of year	<u>497,827</u>	<u>435,128</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	497,827	435,128
	<u>497,827</u>	<u>435,128</u>

The notes on pages 15 to 33 form part of these financial statements.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1. General information

The entity is a limited liability partnership, and is incorporated in England and Wales. The address of its registered office is Canjyar, Tydcombe Road, Warlingham, Surrey CR6 9LU.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006 and the requirements of the Statement of Recommended Practice "Accounting by Limited Liability Partnerships". The LLP has opted to early adopt the Amendments to FRS 102 - Triennial Review 2017.

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

The LLP has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the LLP and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.3 Turnover

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

Rendering of services

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

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

2.4 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.5 Finance costs

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

2.6 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the LLP and the Group operate and generate income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.9 Tangible fixed assets

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

Included in the Tangible Fixed Assets of the LLP is a property rented to the subsidiary. Under FRS 102 - Triennial Review 2017, the property is held at deemed cost (being the fair value at the date of transition less accumulated depreciation and any accumulated impairment losses).

SUNFLOWER HEALTHCARE (GREENFORD) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line basis
Plant and machinery	-	25% straight line basis
Fixtures and fittings	-	20% straight line basis
Computer equipment	-	33% straight line basis

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated statement of comprehensive income.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Debtors

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

2.12 Cash and cash equivalents

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

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 Creditors

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

SUNFLOWER HEALTHCARE (GREENFORD) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

2. Accounting policies (continued)

2.14 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.15 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

3. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Income from the rendering of services	2,647,827	2,188,970
	<u>2,647,827</u>	<u>2,188,970</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	2,647,827	2,188,970
	<u>2,647,827</u>	<u>2,188,970</u>

4. Other operating income

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	77,392	80,964
Defined contribution pension cost	8,960	5,479
	<u>86,352</u>	<u>86,443</u>

6. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	30,000	10,000
	<u>30,000</u>	<u>10,000</u>

Auditors' remuneration for the LLP were £NIL (2017: £NIL).

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

7. Employees

Staff costs were as follows:

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Wages and salaries	1,073,906	1,047,717	-	-
Social security costs	80,180	79,422	-	-
Cost of defined contribution scheme	8,960	5,479	-	-
	<u>1,163,046</u>	<u>1,132,618</u>	<u>-</u>	<u>-</u>

The average monthly number of persons (including members with contracts of employment) employed during the year was as follows:

	2018 No.	2017 No.
Employees	<u>64</u>	<u>65</u>

The LLP has no employees other than the members, who did not receive any remuneration (2017 - £NIL)

8. Information in relation to members

	2018 Number	2017 Number
The average number of members during the year was	<u>16</u>	<u>15</u>
	2018 £	2017 £
The amount of profit attributable to the member with the largest entitlement was	<u>16,381</u>	<u>47,270</u>

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

9. Interest receivable

	2018 £	2017 £
Other interest receivable	-	9,567
	<u>-</u>	<u>9,567</u>
	<u>-</u>	<u>9,567</u>

10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	126,530	93,027
	<u>126,530</u>	<u>93,027</u>
	<u>126,530</u>	<u>93,027</u>

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	142,007	82,296
Total current tax	<u>142,007</u>	<u>82,296</u>
Deferred tax		
Origination and reversal of timing differences	(883)	(336)
Total deferred tax	<u>(883)</u>	<u>(336)</u>
Taxation on profit on ordinary activities	<u>141,124</u>	<u>81,960</u>

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	835,155	495,921
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	158,679	94,225
Effects of:		
Capital allowances for year in excess of depreciation	(249)	2,787
Non-taxable income	(16,423)	(14,716)
Changes in provisions leading to an increase (decrease) in the tax charge	(883)	(336)
Total tax charge for the year	141,124	81,960

Factors that may affect future tax charges

The Finance Act 2016 announced that the proposed reduction in the main corporation tax rate from 2020 would be 17% from 19%. This will reduce the company's future tax charges accordingly. The deferred tax liability at the balance sheet date has been calculated based on the current tax rate.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

12. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation					
At 1 October 2017	4,030,056	1,140,993	397,064	24,229	5,592,342
Additions	-	-	37,398	9,059	46,457
Disposals	(33,785)	-	-	-	(33,785)
At 30 September 2018	<u>3,996,271</u>	<u>1,140,993</u>	<u>434,462</u>	<u>33,288</u>	<u>5,605,014</u>
Depreciation					
At 1 October 2017	355,602	1,140,993	334,624	23,231	1,854,450
Charge for the year on owned assets	44,375	-	29,637	3,380	77,392
Disposals	(1,351)	-	-	-	(1,351)
At 30 September 2018	<u>398,626</u>	<u>1,140,993</u>	<u>364,261</u>	<u>26,611</u>	<u>1,930,491</u>
Net book value					
At 30 September 2018	<u>3,597,645</u>	<u>-</u>	<u>70,201</u>	<u>6,677</u>	<u>3,674,523</u>
At 30 September 2017	<u>3,674,454</u>	<u>-</u>	<u>62,440</u>	<u>998</u>	<u>3,737,892</u>

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

12. Tangible fixed assets (continued)

LLP

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 October 2017	8,500,000	1,140,993	248,203	9,889,196
Disposals	(33,785)	-	-	(33,785)
At 30 September 2018	8,466,215	1,140,993	248,203	9,855,411
Depreciation				
At 1 October 2017	230,444	1,140,993	248,203	1,619,640
Charge for the year on owned assets	114,471	-	-	114,471
Disposals	(1,351)	-	-	(1,351)
At 30 September 2018	343,564	1,140,993	248,203	1,732,760
Net book value				
At 30 September 2018	8,122,651	-	-	8,122,651
At 30 September 2017	8,269,556	-	-	8,269,556

The net book value of the property as stated under historical cost would be £3,603,230 (2017: £3,650,015).

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

13. Fixed asset investments

LLP

**Investments
in
subsidiary
companies
£**

Cost or valuation

At 1 October 2017

1,000

At 30 September 2018

1,000

Subsidiary undertaking

The following was a subsidiary undertaking of the LLP:

Name	Registered office	Principal activity	Class of shares	Holding
Neem Tree Care Limited	United Kingdom	Operating a care home	Ordinary	99.50%

SUNFLOWER HEALTHCARE (GREENFORD) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

14. Debtors

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Trade debtors	155,882	161,687	-	-
Other debtors	216,077	124,472	-	-
Prepayments and accrued income	30,162	43,007	-	-
Amounts due from members	1,584,819	1,616,920	1,390,696	1,422,797
	<u>1,986,940</u>	<u>1,946,086</u>	<u>1,390,696</u>	<u>1,422,797</u>

15. Cash and cash equivalents

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Cash at bank and in hand	497,827	435,128	674	137,417
	<u>497,827</u>	<u>435,128</u>	<u>674</u>	<u>137,417</u>

16. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Bank loans	183,807	203,913	183,807	203,913
Trade creditors	181,825	139,570	975	975
Amounts owed to group undertakings	-	-	278,841	145,142
Corporation tax	141,672	81,961	-	-
Other taxation and social security	20,440	20,626	-	-
Other creditors	26,472	50,778	-	33,785
Accruals and deferred income	123,695	162,893	5,632	5,632
	<u>677,911</u>	<u>659,741</u>	<u>469,255</u>	<u>389,447</u>

The bank loan is secured against the freehold property.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

17. Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Bank loans	4,735,502	4,905,650	4,735,502	4,905,650
	<u>4,735,502</u>	<u>4,905,650</u>	<u>4,735,502</u>	<u>4,905,650</u>

The bank loan is secured against the freehold property.

18. Loans

The bank loans which are repayable by instalments attract interest of 2.75%.

The LLP has given a debenture in the form of a fixed charge over the freehold property.

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Amounts falling due within one year				
Bank loans	183,807	203,913	183,807	203,913
	<u>183,807</u>	<u>203,913</u>	<u>183,807</u>	<u>203,913</u>
Amounts falling due 1-2 years				
Bank loans	188,927	208,549	188,927	208,549
	<u>188,927</u>	<u>208,549</u>	<u>188,927</u>	<u>208,549</u>
Amounts falling due 2-5 years				
Bank loans	4,546,575	4,697,101	4,546,575	4,697,101
	<u>4,546,575</u>	<u>4,697,101</u>	<u>4,546,575</u>	<u>4,697,101</u>
	<u>4,919,309</u>	<u>5,109,563</u>	<u>4,919,309</u>	<u>5,109,563</u>

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

19. Financial instruments

	Group 2018 £	Group 2017 £	LLP 2018 £	LLP 2017 £
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>1,956,778</u>	<u>1,903,079</u>	<u>1,551,798</u>	<u>1,422,797</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>5,188,755</u>	<u>5,360,993</u>	<u>5,204,757</u>	<u>5,295,097</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors, and amounts due from members.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals and bank loans.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018

20. Deferred taxation

Group

	2018 £
At beginning of year	(9,694)
Charged to profit or loss	883
At end of year	(8,811)

The provision for deferred taxation is made up as follows:

	Group 2018 £	Group 2017 £
Accelerated capital allowances	(8,811)	(9,694)
	(8,811)	(9,694)

SUNFLOWER HEALTHCARE (GREENFORD) LLP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

21. Reconciliation of members' interests (Group)

	EQUITY			DEBT		Total
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		members' interests
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Profit for the year available for discretionary division among members	-	413,961	413,961	-	-	413,961
Members' interests after profit for the year	2,097,322	784,064	2,881,386	(1,705,457)	(1,705,457)	1,175,929
Other division of profits	-	-	-	88,537	88,537	88,537
Movement in reserves	-	(399,116)	(399,116)	-	-	(399,116)
Repayment of capital	(1,938,249)	-	(1,938,249)	-	-	(1,938,249)
Amounts due from members				(1,616,920)	(1,616,920)	
Balance at 30 September 2017	159,073	384,948	544,021	(1,616,920)	(1,616,920)	(1,072,899)
Profit for the year available for discretionary division among members	-	694,031	694,031	-	-	694,031
Members' interests after profit for the year	159,073	1,078,979	1,238,052	(1,616,920)	(1,616,920)	(378,868)
Other division of profits	-	-	-	86,444	86,444	86,444
Movement in reserves	-	(341,913)	(341,913)	-	-	(341,913)
Repayment of capital	(159,073)	-	(159,073)	-	-	(159,073)
Drawings	-	-	-	(54,343)	(54,343)	(54,343)
Amounts due from members				(1,584,819)	(1,584,819)	
Balance at 30 September 2018	-	737,066	737,066	(1,584,819)	(1,584,819)	(847,753)

SUNFLOWER HEALTHCARE (GREENFORD) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

21. Reconciliation of members' interests (LLP)

	EQUITY			DEBT		Total members' interests
	Members' other interests			Loans and other debts due to members less any amounts due from members in debtors		
	Members' capital (classified as equity) £	Other reserves £	Total £	Other amounts £	Total £	Total £
Profit for the year available for discretionary division among members	-	22,122	22,122	-	-	22,122
Members' interests after profit for the year	2,097,322	4,465,133	6,562,455	(1,511,330)	(1,511,330)	5,051,125
Other division of profits	-	-	-	88,533	88,533	88,533
Movement in reserves	-	(88,533)	(88,533)	-	-	(88,533)
Repayment of capital	(1,938,249)	-	(1,938,249)	-	-	(1,938,249)
Amounts due from members				(1,422,797)	(1,422,797)	
Balance at 30 September 2017	159,073	4,376,600	4,535,673	(1,422,797)	(1,422,797)	3,112,876
Profit for the year available for discretionary division among members	-	20,108	20,108	-	-	20,108
Members' interests after profit for the year	159,073	4,396,708	4,555,781	(1,422,797)	(1,422,797)	3,132,984
Other division of profits	-	-	-	86,444	86,444	86,444
Movement in reserves	-	(86,444)	(86,444)	-	-	(86,444)
Repayment of capital	(159,073)	-	(159,073)	-	-	(159,073)
Drawings	-	-	-	(54,343)	(54,343)	(54,343)
Amounts due from members				(1,390,696)	(1,390,696)	
Balance at 30 September 2018	-	4,310,264	4,310,264	(1,390,696)	(1,390,696)	2,919,568

There are no existing restrictions or limitations which impact the ability of the members of the LLP to reduce the amount of Members' other interests.

22. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £8,960 (2017: £5,479). Contributions totalling £NIL (2017: £NIL) were payable to the fund at the balance sheet date and are included in creditors.

SUNFLOWER HEALTHCARE (GREENFORD) LLP

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

23. Analysis of changes in net debt

	1 October 2017 £	Cash flow £	Other non- cash changes £	30 September 2018 £
Cash at bank and in hand	435,128	62,699	-	497,827
Debt due within one year	(203,913)	190,254	(170,148)	(183,807)
Debt falling due after more than one year	(4,905,650)	-	170,148	(4,735,502)
Net debt	<u>(4,674,435)</u>	<u>252,953</u>	<u>-</u>	<u>(4,421,482)</u>

24. Related party transactions

The ultimate controlling parties are deemed to be the members of the LLP.

The LLP has taken advantage of the exemption available to it under FRS102 and has not disclosed transactions with wholly owned subsidiary undertakings.

GROUP

Included in other creditors are balances of £23,399 (2017: £15,820) owed to companies under common control.

Included in other debtors are balances totalling £48 (2017: £113,456) owed by companies under common control.

At the balance sheet date, the group had a loan of £200,000 (2017: £NIL) due by a company in which certain LLP members are directors. Interest of 10% per annum is payable on this balance.

During the year, dividends of £255,469 (2017: £310,583) were paid to the directors.

LLP

At the year end, a balance of £278,841 was owed to (2017: £145,142) a subsidiary.

A subsidiary has provided a guarantee for the bank borrowings of the LLP.

As at 30 September 2018 the outstanding bank loan was £4,919,309 (2017: £5,109,563).