

**Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 May 2009
for
Balmer Care Homes Group Limited**



**Contents of the Consolidated Financial Statements
for the Year Ended 31 May 2009**

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Bálmer Care Homes Group Limited

**Company Information
for the Year Ended 31 May 2009**

DIRECTORS:

T Balmer
Mrs A Balmer
A Balmer
G Balmer
Ms J McGowan

SECRETARY:

A Balmer

REGISTERED OFFICE:

Campbell House
126 Drymen Road
Bearsden
Glasgow
G61 3RB

REGISTERED NUMBER:

SC 278344 (Scotland)

AUDITORS:

Campbell Dallas LLP
Chartered Accountants &
Registered Auditors
Campbell House
126 Drymen Road
Bearsden
Glasgow
G61 3RB

**Report of the Directors
for the Year Ended 31 May 2009**

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2009.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the running of residential nursing homes and property development.

REVIEW OF BUSINESS

The group results for the period show a pre-tax profit of £378k (2008 - £212k) on turnover of £5.48m (2008 - £5.18m). The group has a net balance sheet value of £1.34m at 31 May 2009 (2008 - £1.22m).

FUTURE OUTLOOK

The group is in a strong position to continue as a leading provider of residential nursing care. All care homes continue to have high occupancy rates and the completion in April 09 of the Rosehill Unit, adjacent to the Rosepark Care Home, has increased the capacity of the group.

PRINCIPAL RISKS AND UNCERTAINTIES

We believe that the group can meet key business risks of competition and also of employee retention. By providing the highest quality care and facilities the group is well positioned to continue to meet stringent industry regulation.

The group has developed a strong working relationship with its bankers and we believe this relationship together with our focus on continued operating and the recent increase in capacity places the group in a strong position to meet the current uncertainties faced in the financial markets and the economy as a whole.

KEY PERFORMANCE INDICATORS ("KPI's")

Given the straightforward nature of the business, the directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

EMPLOYMENT OF DISABLED PERSONS

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. The company, as part of its overall policy, gives full and fair consideration to applications for employment from people with disabilities and would actively pursue the retraining of employees who become disabled while employed by the company.

EMPLOYEE INVOLVEMENT

Members of the management team regularly visit branches and discuss matters of current interest and concern to the business with members of staff.

DIVIDENDS

Interim dividends of £165,754 were paid during the year. The directors recommend that no final dividend be paid.

**Report of the Directors
for the Year Ended 31 May 2009**

DIRECTORS

The directors shown below have held office during the whole of the period from 1 June 2008 to the date of this report.

T Balmer
Mrs A Balmer
A Balmer
G Balmer
Ms J McGowan

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 the group and of the profit or loss of the group 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;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

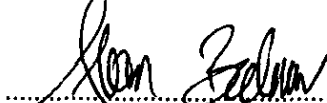
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Campbell Dallas LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



A Balmer - Secretary

Date: 30/11/09

Report of the Independent Auditors to the Members of Balmer Care Homes Group Limited

We have audited the financial statements of Balmer Care Homes Group Limited for the year ended 31 May 2009 on pages six to twenty two. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 May 2009 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.

Opinion on other matter prescribed by the Companies Act 2006

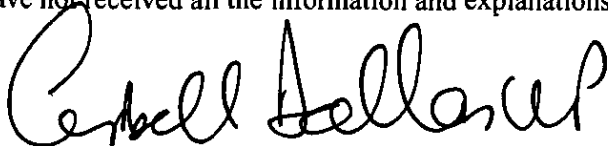
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Report of the Independent Auditors to the Members of
Balmer Care Homes Group Limited**

Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



Fraser W J Campbell (Senior Statutory Auditor)
for and on behalf of Campbell Dallas LLP
Chartered Accountants &
Registered Auditors
Campbell House
126 Drymen Road
Bearsden
Glasgow
G61 3RB

Date:30/11/09.....

Balmer Care Homes Group Limited (Registered number: SC 278344)

**Consolidated Profit and Loss Account
for the Year Ended 31 May 2009**

	Notes	2009 £	2008 £
TURNOVER		5,478,286	5,180,851
Administrative expenses		<u>4,850,392</u>	<u>4,665,142</u>
OPERATING PROFIT	3	627,894	515,709
Interest receivable and similar income		<u>-</u>	<u>68</u>
		627,894	515,777
Interest payable and similar charges	4	<u>249,451</u>	<u>303,475</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		378,443	212,302
Tax on profit on ordinary activities	5	<u>92,048</u>	<u>80,471</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		<u><u>286,395</u></u>	<u><u>131,831</u></u>

CONTINUING OPERATIONS

None of the group's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The group has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

Balmer Care Homes Group Limited (Registered number: SC 278344)

Consolidated Balance Sheet

31 May 2009

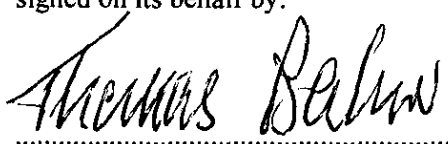
	Notes	2009 £	2008 £
FIXED ASSETS			
Intangible assets	8	630,000	670,000
Tangible assets	9	5,843,326	4,657,818
Investments	10	-	-
		<u>6,473,326</u>	<u>5,327,818</u>
CURRENT ASSETS			
Stocks	11	10,670	167,455
Debtors	12	945,499	984,302
Cash at bank and in hand		589	28,773
		<u>956,758</u>	<u>1,180,530</u>
CREDITORS			
Amounts falling due within one year	13	<u>2,479,418</u>	<u>1,223,149</u>
NET CURRENT LIABILITIES		<u>(1,522,660)</u>	<u>(42,619)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,950,666	5,285,199
CREDITORS			
Amounts falling due after more than one year	14	(3,610,721)	(4,065,896)
PROVISIONS FOR LIABILITIES	17	<u>(3,835)</u>	<u>(3,835)</u>
NET ASSETS		<u><u>1,336,110</u></u>	<u><u>1,215,468</u></u>

The notes form part of these financial statements

Consolidated Balance Sheet - continued
31 May 2009

	Notes	2009 £	2008 £
CAPITAL AND RESERVES			
Called up share capital	18	152,045	152,045
Merger reserve	19	432,320	432,320
Profit and loss account	19	751,745	631,103
SHAREHOLDERS' FUNDS	22	1,336,110	1,215,468

The financial statements were approved by the Board of Directors on 30/11/09 and were signed on its behalf by:



T Balmer - Director



A Balmer - Director

Company Balance Sheet

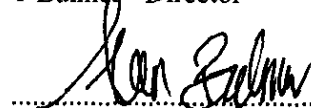
31 May 2009

	Notes	2009		2008	
		£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		5,730,616		4,544,434
Investments	10		152,145		152,145
			<u>5,882,761</u>		<u>4,696,579</u>
CURRENT ASSETS					
Debtors	12	559,002		1,126,517	
Cash at bank and in hand		68		67	
		<u>559,070</u>		<u>1,126,584</u>	
CREDITORS					
Amounts falling due within one year	13	2,622,220		1,092,871	
NET CURRENT (LIABILITIES)/ASSETS			<u>(2,063,150)</u>		<u>33,713</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			3,819,611		4,730,292
CREDITORS					
Amounts falling due after more than one year	14		3,610,721		4,065,896
NET ASSETS			<u>208,890</u>		<u>664,396</u>
CAPITAL AND RESERVES					
Called up share capital	18		152,245		152,245
Profit and loss account	19		56,645		512,151
SHAREHOLDERS' FUNDS	22		<u>208,890</u>		<u>664,396</u>

The financial statements were approved by the Board of Directors on 30/11/09 and were signed on its behalf by:



T Balmer - Director



A Balmer - Director

The notes form part of these financial statements

**Consolidated Cash Flow Statement
for the Year Ended 31 May 2009**

	Notes	2009 £	2008 £
Net cash inflow from operating activities	1	1,272,281	210,117
Returns on investments and servicing of finance	2	(249,451)	(303,407)
Taxation		(43,213)	(30,598)
Capital expenditure	2	(1,390,764)	(95,838)
Equity dividends paid		(165,753)	(125,000)
		(576,900)	(344,726)
Financing	2	(358,611)	348,339
(Decrease)/Increase in cash in the period		(935,511)	3,613
<hr/>			
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/Increase in cash in the period		(935,511)	3,613
Cash outflow from decrease in debt		358,611	40,551
Change in net debt resulting from cash flows		(576,900)	44,164
Movement in net debt in the period		(576,900)	44,164
Net debt at 1 June		(4,919,146)	(4,963,310)
Net debt at 31 May		(5,496,046)	(4,919,146)

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 May 2009**

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2009	2008
	£	£
Operating profit	627,894	515,709
Depreciation charges	239,324	239,773
Loss on disposal of fixed assets	5,932	-
Decrease/(Increase) in stocks	156,785	(155,148)
Decrease/(Increase) in debtors	38,803	(286,008)
Increase/(Decrease) in creditors	203,543	(104,209)
Net cash inflow from operating activities	1,272,281	210,117

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2009	2008
	£	£
Returns on investments and servicing of finance		
Interest received	-	68
Interest paid	(249,451)	(303,475)
Net cash outflow for returns on investments and servicing of finance	(249,451)	(303,407)
Capital expenditure		
Purchase of tangible fixed assets	(1,390,764)	(95,838)
Net cash outflow for capital expenditure	(1,390,764)	(95,838)
Financing		
New loans in year	-	600,000
Loan repayments in year	(358,611)	(251,661)
Net cash (outflow)/inflow from financing	(358,611)	348,339

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 May 2009**

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.6.08 £	Cash flow £	Other non-cash changes £	At 31.5.09 £
Net cash:				
Cash at bank and in hand	28,773	(28,184)		589
Bank overdrafts	(556,687)	(907,327)		(1,464,014)
	<u>(527,914)</u>	<u>(935,511)</u>		<u>(1,463,425)</u>
Debt:				
Debts falling due within one year	(325,336)	-	(96,564)	(421,900)
Debts falling due after one year	(4,065,896)	358,611	96,564	(3,610,721)
	<u>(4,391,232)</u>	<u>358,611</u>	<u>-</u>	<u>(4,032,621)</u>
Total	<u>(4,919,146)</u>	<u>(576,900)</u>	<u>-</u>	<u>(5,496,046)</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 May 2009**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiaries. In 2005 Balmer Care Homes Group was introduced as a new holding company for companies previously held individually under common ownership. Consequently, this was accounted for using merger accounting principles as set out in FRS6 Acquisitions and Mergers.

Under merger accounting principles, the results of Balmer Care Homes Group Limited Limited and its subsidiary undertakings were combined from the beginning of the financial period in which the merger occurred.

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2005, is being amortised evenly over its estimated useful life of twenty years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance and 10% on cost
Motor vehicles	- 25% on reducing balance

Stocks

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

Development work in progress includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Deferred tax is provided at the average rates that are expected to apply when the timing differences reverse, based on current tax rates and laws. Deferred tax is not provided on timing differences arising from the revaluation of fixed assets where there is no commitment to sell the asset. Deferred tax assets and liabilities are not discounted.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2009**

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to the profit and loss account in the period to which they relate.

2. STAFF COSTS

	2009	2008
	£	£
Wages and salaries	3,250,121	3,007,708
Social security costs	126,741	126,575
Other pension costs	46,685	46,685
	<u>3,423,547</u>	<u>3,180,968</u>

The average monthly number of employees during the year was as follows:

	2009	2008
Administrative and Care Staff	<u>294</u>	<u>288</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2009	2008
	£	£
Hire of plant and machinery	1,998	5,702
Depreciation - owned assets	199,323	199,773
Loss on disposal of fixed assets	5,932	-
Goodwill amortisation	<u>40,000</u>	<u>40,000</u>
Directors' remuneration	84,461	85,513
Directors' pension contributions to money purchase schemes	<u>33,097</u>	<u>33,097</u>

Auditors fees

	2009	2008
	£	£
Audit of these financial statements	4,000	1,500
Audit of financial statements of subsidiaries pursuant to legislation	6,750	7,500
Taxation compliance services	3,850	3,850
Other services	<u>5,000</u>	<u>5,000</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2009**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2009	2008
	£	£
Bank interest	38,756	27,851
Bank loan interest	206,723	262,536
Taxation Interest	3,972	13,088
	<u>249,451</u>	<u>303,475</u>

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2009	2008
	£	£
Current tax:		
UK corporation tax	92,048	79,871
Prior year under provision	-	600
	<u>92,048</u>	<u>80,471</u>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2009	2008
	£	£
Profit on ordinary activities before tax	<u>378,443</u>	<u>212,302</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2008 - 20%)	79,473	42,460
Effects of:		
Expenses not deductible for tax purposes	3,217	5,770
Depreciation in excess of capital allowances without payment	1,113	15,589
Losses utilised	(7,250)	(1,116)
Adjust for different tax rates within group	15,495	17,168
Prior year under provision	-	600
Current tax charge	<u>92,048</u>	<u>80,471</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2009**

6. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £(289,752) (2008 - £113,084 profit).

7. DIVIDENDS

	2009 £	2008 £
Ordinary shares of £1 each		
Interim	<u>165,753</u>	<u>125,000</u>

8. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 June 2008	
and 31 May 2009	<u>880,000</u>
AMORTISATION	
At 1 June 2008	210,000
Amortisation for year	<u>40,000</u>
At 31 May 2009	<u>250,000</u>
NET BOOK VALUE	
At 31 May 2009	<u>630,000</u>
At 31 May 2008	<u>670,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2009

9. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 June 2008	4,216,000	21,011	1,203,778	24,575	5,465,364
Additions	911,689	1,671	463,904	13,500	1,390,764
Disposals	-	-	-	(20,000)	(20,000)
At 31 May 2009	5,127,689	22,682	1,667,682	18,075	6,836,128
DEPRECIATION					
At 1 June 2008	252,960	10,484	530,011	14,092	807,547
Charge for year	84,320	3,050	108,771	3,182	199,323
Eliminated on disposal	-	-	-	(14,068)	(14,068)
At 31 May 2009	337,280	13,534	638,782	3,206	992,802
NET BOOK VALUE					
At 31 May 2009	4,790,409	9,148	1,028,900	14,869	5,843,326
At 31 May 2008	3,963,040	10,527	673,767	10,483	4,657,817

Company

	Freehold property £	Fixtures and fittings £	Totals £
COST			
At 1 June 2008	4,216,000	814,634	5,030,634
Additions	911,689	440,276	1,351,965
At 31 May 2009	5,127,689	1,254,910	6,382,599
DEPRECIATION			
At 1 June 2008	252,960	233,240	486,200
Charge for year	84,320	81,463	165,783
At 31 May 2009	337,280	314,703	651,983
NET BOOK VALUE			
At 31 May 2009	4,790,409	940,207	5,730,616
At 31 May 2008	3,963,040	581,394	4,544,434

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2009

10. FIXED ASSET INVESTMENTS

Company	Shares in group undertakings £
COST	
At 1 June 2008 and 31 May 2009	152,145
NET BOOK VALUE	
At 31 May 2009	152,145
At 31 May 2008	152,145

Fixed asset investments of the Company include the following:

Company	Country of Incorporation	Trade	Ownership
Summerlee House Limited	Scotland	Residential Care Home	100%
Croftbank House Limited	Scotland	Residential Care Home	100%
Rosepark House Limited	Scotland	Residential Care Home	100%
Balmer Developments Limited	Scotland	Property Developers	100%

11. STOCKS

	Group	
	2009 £	2008 £
Stocks	10,670	10,290
Work-in-progress	-	157,165
	<u>10,670</u>	<u>167,455</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2009

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Trade debtors	327,753	368,800	-	-
Rosepark partnership	583,953	583,953	520,178	520,178
Amounts owed from group undertakings	-	-	38,824	606,339
Prepayments	33,793	31,549	-	-
	<u>945,499</u>	<u>984,302</u>	<u>559,002</u>	<u>1,126,517</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans and overdrafts (see note 15)	1,885,914	882,023	421,900	325,336
Trade creditors	141,808	97,591	-	-
Tax	128,706	79,871	-	-
Social security and other taxes	101,649	47,235	-	-
VAT	7,760	50,574	-	-
Directors loan	1,990	1,990	1,990	1,990
Amounts owed to group undertakings	-	-	2,188,010	756,045
Accrued expenses	211,591	63,865	10,320	9,500
	<u>2,479,418</u>	<u>1,223,149</u>	<u>2,622,220</u>	<u>1,092,871</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Bank loans (see note 15)	<u>3,610,721</u>	<u>4,065,896</u>	<u>3,610,721</u>	<u>4,065,896</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2009

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2009	2008	2009	2008
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,464,014	556,687	-	-
Bank loans	421,900	325,336	421,900	325,336
	<u>1,885,914</u>	<u>882,023</u>	<u>421,900</u>	<u>325,336</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>421,899</u>	<u>325,336</u>	<u>421,899</u>	<u>325,336</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>1,238,979</u>	<u>976,008</u>	<u>1,238,979</u>	<u>976,008</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>1,949,843</u>	<u>2,764,552</u>	<u>1,949,843</u>	<u>2,764,552</u>

All loans repayable in greater than 5 years are being repaid in monthly instalments and have the following repayment terms:

	Final Repayment date	Interest rate
Bank loan 1	March 2016	0.85% over base
Bank loan 2	March 2022	0.85% over base
Bank loan 3	March 2022	6.07% fixed rate
Bank loan 4	December 2022	6.07% fixed rate

16. SECURED DEBTS

The following secured debts are included within creditors:

	Company	
	2009	2008
	£	£
Bank loans	<u>4,032,621</u>	<u>4,391,232</u>

There is a floating charge over the assets and undertakings of the group companies and standard securities are held over Croftbank House and Summerlee House.

Cross guarantees exist between all group companies.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2009

17. PROVISIONS FOR LIABILITIES

	Group	
	2009	2008
	£	£
Deferred tax	<u>3,835</u>	<u>3,835</u>
Group		
		Deferred tax
		£
Balance at 1 June 2008		<u>3,835</u>
Balance at 31 May 2009		<u>3,835</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2009	2008
Number:	Class:	Nominal value:	£	£
152,245	Ordinary	£1	<u>152,045</u>	<u>152,045</u>

19. RESERVES

Group			
	Profit and loss account	Merger reserve	Totals
	£	£	£
At 1 June 2008	631,103	432,320	1,063,423
Profit for the year	286,395		286,395
Dividends	(165,753)		(165,753)
At 31 May 2009	<u>751,745</u>	<u>432,320</u>	<u>1,184,065</u>
Company			
			Profit and loss account
			£
At 1 June 2008			512,151
Deficit for the year			(289,752)
Dividends			(165,754)
At 31 May 2009			<u>56,645</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2009**

19. RESERVES - continued

20. ULTIMATE PARENT COMPANY

The group is controlled by the Mr & Mrs T Balmer who hold 57.02% of the group's issued share capital.

21. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption contained within FRS 8 not to disclose transactions with fellow group companies which are included in the consolidated accounts.

At 31 May 2009 the company was owed £583,953 by the Rosepark Partnership, in which company directors are partners.

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2009 £	2008 £
Profit for the financial year	286,395	131,831
Dividends	(165,753)	(125,000)
Net addition to shareholders' funds	120,642	6,831
Opening shareholders' funds	1,215,468	1,208,637
Closing shareholders' funds	1,336,110	1,215,468

Company

	2009 £	2008 £
(Loss)/Profit for the financial year	(289,752)	113,084
Dividends	(165,754)	(125,000)
Net reduction of shareholders' funds	(455,506)	(11,916)
Opening shareholders' funds	664,396	676,312
Closing shareholders' funds	208,890	664,396