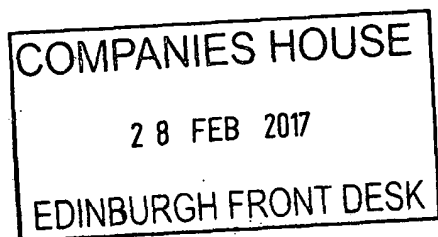


**Group Strategic Report, Report of the Directors and  
Consolidated Financial Statements  
for the Year Ended 31 May 2016  
for  
Balmer Care Homes Group Limited**



**Contents of the Consolidated Financial Statements  
for the Year Ended 31 May 2016**

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# **Balmer Care Homes Group Limited**

## **Company Information for the Year Ended 31 May 2016**

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### **DIRECTORS:**

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

### **SECRETARY:**

A Balmer

### **REGISTERED OFFICE:**

Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF

### **REGISTERED NUMBER:**

SC278344 (Scotland)

### **AUDITORS:**

Campbell Dallas LLP  
Chartered Accountants  
Statutory Auditors  
Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF

**Group Strategic Report  
for the Year Ended 31 May 2016**

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The directors present their strategic report of the company and the group for the year ended 31 May 2016.

**REVIEW OF BUSINESS**

The group results for the period show a pre-tax profit of £1.01m (2015 - £1.27m) on turnover of £7.31m (2015 - £7.14m). The group has a net balance sheet value of £4.11m at 31 May 2016 (2015 - £3.37m).

**FUTURE OUTLOOK**

The group is in a strong position to continue as a leading provider of residential nursing care and all care homes continue to have high occupancy rates.

**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.

**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.

**ON BEHALF OF THE BOARD:**



.....  
A Balmer - Director

Date: .....

21/2/17

**Report of the Directors  
for the Year Ended 31 May 2016**

---

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2016.

**DIVIDENDS**

Interim dividends of £74,430 (2015: £189,169) were paid during the year. The directors recommend that no final dividend be paid.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 June 2015 to the date of this report.

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

**POLITICAL DONATIONS AND EXPENDITURE**

Charitable donations totalled £6,524 in the period.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, 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.

**Report of the Directors  
for the Year Ended 31 May 2016**

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**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 - Director

Date: ..... 21/2/17 .....

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

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We have audited the financial statements of Balmer Care Homes Group Limited for the year ended 31 May 2016 on pages seven to thirty 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 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 and express an opinion on 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. In addition, we read all the financial and non-financial information in the Group Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 2016 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 Group Strategic Report and 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**

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**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 Campbell (Senior Statutory Auditor)  
for and on behalf of Campbell Dallas LLP  
Chartered Accountants  
Statutory Auditors  
Titanium 1  
King's Inch Place  
Renfrew  
PA4 8WF

Date: .....27/2/17.....



**Balmer Care Homes Group Limited (Registered number: SC278344)****Consolidated Income Statement  
for the Year Ended 31 May 2016**

	Notes	2016 £	2015 £
<b>TURNOVER</b>		7,308,445	7,139,775
Administrative expenses		6,077,792	5,642,117
		<u>1,230,653</u>	<u>1,497,658</u>
Other operating income		495	-
<b>OPERATING PROFIT</b>	4	<u>1,231,148</u>	<u>1,497,658</u>
Interest payable and similar charges	5	<u>219,134</u>	<u>232,350</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		1,012,014	1,265,308
Tax on profit on ordinary activities	6	<u>198,149</u>	<u>319,678</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>813,865</u>	<u>945,630</u>
Profit attributable to: Owners of the parent		<u>813,865</u>	<u>945,630</u>

The notes form part of these financial statements

**Balmer Care Homes Group Limited (Registered number: SC278344)**

**Consolidated Other Comprehensive Income  
for the Year Ended 31 May 2016**

	Notes	2016 £	2015 £
<b>PROFIT FOR THE YEAR</b>		813,865	945,630
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>813,865</u>	<u>945,630</u>
Total comprehensive income attributable to: Owners of the parent		<u>813,865</u>	<u>945,630</u>

The notes form part of these financial statements

**Balmer Care Homes Group Limited (Registered number: SC278344)**

**Consolidated Balance Sheet**

**31 May 2016**

		2016		2015	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		350,000		390,000
Tangible assets	10		4,517,711		4,815,904
Investments	11		290,000		290,000
			<u>5,157,711</u>		<u>5,495,904</u>
<b>CURRENT ASSETS</b>					
Stocks	12	2,049,844		326,955	
Debtors	13	2,877,234		2,190,199	
Cash at bank and in hand		290,655		705,067	
		<u>5,217,733</u>		<u>3,222,221</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	2,720,279		1,290,433	
		<u>2,720,279</u>		<u>1,290,433</u>	
<b>NET CURRENT ASSETS</b>			<u>2,497,454</u>		<u>1,931,788</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>7,655,165</u>		<u>7,427,692</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(3,544,622)		(4,002,238)
<b>PROVISIONS FOR LIABILITIES</b>	18		-		(54,346)
<b>NET ASSETS</b>			<u><u>4,110,543</u></u>		<u><u>3,371,108</u></u>

The notes form part of these financial statements

Consolidated Balance Sheet - continued  
31 May 2016

		2016		2015	
	Notes	£	£	£	£
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		152,255		152,255
Merger reserve	20		432,120		432,120
Retained earnings	20		3,526,168		2,786,733
<b>SHAREHOLDERS' FUNDS</b>			4,110,543		3,371,108

The financial statements were approved by the Board of Directors on ..... *27/2/17* ..... and were signed on its behalf by:

*Thomas Balmer*

T Balmer - Director

*Am Balmer*

A Balmer - Director

The notes form part of these financial statements

**Balmer Care Homes Group Limited (Registered number: SC278344)**

**Company Balance Sheet**

**31 May 2016**

		2016		2015	
	Notes	£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	9		-		-
Tangible assets	10		4,386,932		4,653,234
Investments	11		442,145		442,145
			<u>4,829,077</u>		<u>5,095,379</u>
<b>CURRENT ASSETS</b>					
Debtors	13	2,298,328		1,672,801	
Cash at bank		-		34,404	
		<u>2,298,328</u>		<u>1,707,205</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	2,216,297		1,944,237	
		<u>2,216,297</u>		<u>1,944,237</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>82,031</u>		<u>(237,032)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>4,911,108</u>		<u>4,858,347</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(3,544,622)		(3,702,238)
<b>PROVISIONS FOR LIABILITIES</b>	18		-		(30,829)
<b>NET ASSETS</b>			<u><u>1,366,486</u></u>		<u><u>1,125,280</u></u>

The notes form part of these financial statements

Company Balance Sheet - continued

31 May 2016

		2016		2015	
	Notes	£	£	£	£
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		152,255		152,255
Retained earnings	20		1,214,231		973,025
			<u>1,366,486</u>		<u>1,125,280</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,366,486</u>		<u>1,125,280</u>

The financial statements were approved by the Board of Directors on 27/2/17 and were signed on its behalf by:



T Balmer - Director



A Balmer - Director

**Balmer Care Homes Group Limited (Registered number: SC278344)**

**Consolidated Statement of Changes in Equity  
for the Year Ended 31 May 2016**

	Called up share capital £	Retained earnings £	Merger reserve £	Total equity £
<b>Balance at 1 June 2014</b>	152,245	2,030,272	432,120	2,614,637
<b>Changes in equity</b>				
Issue of share capital	10	-	-	10
Dividends	-	(189,169)	-	(189,169)
Total comprehensive income	-	945,630	-	945,630
<b>Balance at 31 May 2015</b>	<u>152,255</u>	<u>2,786,733</u>	<u>432,120</u>	<u>3,371,108</u>
<b>Changes in equity</b>				
Dividends	-	(74,430)	-	(74,430)
Total comprehensive income	-	813,865	-	813,865
<b>Balance at 31 May 2016</b>	<u>152,255</u>	<u>3,526,168</u>	<u>432,120</u>	<u>4,110,543</u>

The notes form part of these financial statements

**Balmer Care Homes Group Limited (Registered number: SC278344)**

**Company Statement of Changes in Equity  
for the Year Ended 31 May 2016**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 June 2014</b>	152,245	758,095	910,340
<b>Changes in equity</b>			
Issue of share capital	10	-	10
Dividends	-	(189,169)	(189,169)
Total comprehensive income	-	404,099	404,099
<b>Balance at 31 May 2015</b>	<u>152,255</u>	<u>973,025</u>	<u>1,125,280</u>
<b>Changes in equity</b>			
Dividends	-	(74,430)	(74,430)
Total comprehensive income	-	315,636	315,636
<b>Balance at 31 May 2016</b>	<u><u>152,255</u></u>	<u><u>1,214,231</u></u>	<u><u>1,366,486</u></u>

The notes form part of these financial statements



**Consolidated Cash Flow Statement  
for the Year Ended 31 May 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(44,365)	1,883,944
Interest paid		(219,134)	(231,886)
Tax paid		(322,150)	(299,481)
Net cash from operating activities		<u>(585,649)</u>	<u>1,352,577</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(11,975)</u>	<u>(10,443)</u>
Net cash from investing activities		<u>(11,975)</u>	<u>(10,443)</u>
<b>Cash flows from financing activities</b>			
New loans in year		3,006,466	-
Loan repayments in year		(2,128,651)	(314,335)
Amount introduced by directors		662,637	555,060
Amount withdrawn by directors		(1,282,810)	(744,791)
Share issue		-	10
Equity dividends paid		<u>(74,430)</u>	<u>(189,169)</u>
Net cash from financing activities		<u>183,212</u>	<u>(693,225)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(414,412)</u>	<u>648,909</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>705,067</u>	<u>56,158</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>290,655</u></u>	<u><u>705,067</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 May 2016**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2016	2015
	£	£
Profit before taxation	1,012,014	1,265,308
Depreciation charges	310,167	318,178
Amortisation charges	40,000	40,000
Finance costs	219,134	232,350
	<u>1,581,315</u>	<u>1,855,836</u>
Increase in stocks	(1,722,889)	(15,405)
Decrease/(increase) in trade and other debtors	38,121	(137,117)
Increase in trade and other creditors	59,088	180,630
	<u>59,088</u>	<u>180,630</u>
<b>Cash generated from operations</b>	<u><u>(44,365)</u></u>	<u><u>1,883,944</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Consolidated Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 May 2016**

	31.5.16	1.6.15
	£	£
Cash and cash equivalents	<u>290,655</u>	<u>705,067</u>

**Year ended 31 May 2015**

	31.5.15	1.6.14
	£	£
Cash and cash equivalents	705,067	199,359
Bank overdrafts	-	(143,201)
	<u>705,067</u>	<u>56,158</u>

**Notes to the Consolidated Financial Statements  
for the Year Ended 31 May 2016**

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**1. STATUTORY INFORMATION**

Balmer Care Homes Group Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The company has transitioned from previously extant UK GAAP to FRS 102 as at 1 June 2014. An explanation of the transitional adjustments is shown in the reconciliation of equity and reconciliation of profit.

**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 section 19 of FRS 102; Business Combinations and Goodwill..

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

**Turnover**

Turnover represents fee income relating to the provision of care services, excluding value added tax, if applicable. Fee income comprises care home fees which are recognised when the delivery of service is completed. Fees invoiced in advance are included as deferred income until the service is completed.

**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 and 10% on cost
Fixtures and fittings	- 25% on reducing balance and 10% on cost
Motor vehicles	- 25% on reducing balance

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016

---

2. ACCOUNTING POLICIES - continued

**Stocks**

Stocks comprise of food supplies and land held for future development.

Food stocks are held at cost and utilised in the provision of care services to residents.

Land held for development is held at cost less any necessary provision for diminution in value. Cost represents all direct costs incurred in bringing each item to its present location and condition.

**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 profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

Contributions payable to employees pension schemes are charged to the profit and loss account in the period to which they relate.

3. STAFF COSTS

	2016	2015
	£	£
Wages and salaries	3,765,460	3,516,506
Social security costs	222,969	194,988
Other pension costs	24,215	37,008
	<u>4,012,644</u>	<u>3,748,502</u>

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

	2016	2015
Administrative and Care Staff	<u>310</u>	<u>316</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016

4. **OPERATING PROFIT**

The operating profit is stated after charging:

	2016	2015
	£	£
Hire of plant and machinery	9,425	4,245
Depreciation - owned assets	310,168	318,178
Goodwill amortisation	40,000	40,000
	<u>          </u>	<u>          </u>
Directors' remuneration	94,616	90,279
Directors' pension contributions to money purchase schemes	-	16,000
	<u>          </u>	<u>          </u>

The number of directors to whom retirement benefits were accruing was as follows:

	2016	2015
Money purchase schemes	<u>1</u>	<u>1</u>

**Auditors fees**

	2016	2015
	£	£
Audit of these financial statements	5,500	5,000
Audit of financial statements of subsidiaries pursuant to legislation	12,850	10,000
Taxation compliance services	2,625	2,700
Other services	47,450	17,325
	<u>          </u>	<u>          </u>

5. **INTEREST PAYABLE AND SIMILAR CHARGES**

	2016	2015
	£	£
Bank interest	5,326	15,381
Bank loan interest	213,808	216,505
Taxation Interest	-	464
	<u>          </u>	<u>          </u>
	219,134	232,350
	<u>          </u>	<u>          </u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016**

**6. TAXATION**

**Analysis of the tax charge**

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

	2016 £	2015 £
Current tax:		
UK corporation tax	277,397	321,686
Prior year under/(over) provision	(488)	210
Total current tax	276,909	321,896
Deferred tax	(78,760)	(2,218)
Tax on profit on ordinary activities	198,149	319,678

**Reconciliation of total tax charge included in profit and loss**

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

	2016 £	2015 £
Profit on ordinary activities before tax	1,012,014	1,265,308
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	202,403	253,062
Effects of:		
Expenses not deductible for tax purposes	21,746	15,382
Depreciation in excess of capital allowances	29,251	40,341
Adjustments to tax charge in respect of previous periods	(62,146)	210
Timing differences	3,763	(2,218)
Effect of differing tax rates in year	3,132	12,901
Total tax charge	198,149	319,678

**7. PROFIT OF PARENT COMPANY**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £315,636 (2015 - £404,099).

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016**

**8. DIVIDENDS**

	2016 £	2015 £
'A' Ordinary shares of £1 each Interim	43,830	176,373
'B' Ordinary shares of £1 each Interim	6,120	2,560
'C' Ordinary shares of £1 each Interim	6,120	2,559
'D' Ordinary shares of £1 each Interim	6,120	2,559
'E' Ordinary shares of £1 each Interim	6,120	2,559
'F' Ordinary shares of £1 each Interim	6,120	2,559
	<u>6,120</u>	<u>2,559</u>
	<u>74,430</u>	<u>189,169</u>

**9. INTANGIBLE FIXED ASSETS**

**Group**

	Goodwill £
<b>COST</b>	
At 1 June 2015 and 31 May 2016	<u>880,000</u>
<b>AMORTISATION</b>	
At 1 June 2015	490,000
Amortisation for year	<u>40,000</u>
At 31 May 2016	<u>530,000</u>
<b>NET BOOK VALUE</b>	
At 31 May 2016	<u>350,000</u>
At 31 May 2015	<u>390,000</u>

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016

10. TANGIBLE FIXED ASSETS

**Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 June 2015	5,252,195	191,461	2,090,096	59,192	7,592,944
Additions	-	-	11,975	-	11,975
At 31 May 2016	5,252,195	191,461	2,102,071	59,192	7,604,919
<b>DEPRECIATION</b>					
At 1 June 2015	965,054	104,311	1,691,028	16,647	2,777,040
Charge for year	105,044	17,765	175,340	12,019	310,168
At 31 May 2016	1,070,098	122,076	1,866,368	28,666	3,087,208
<b>NET BOOK VALUE</b>					
At 31 May 2016	4,182,097	69,385	235,703	30,526	4,517,711
At 31 May 2015	4,287,141	87,150	399,068	42,545	4,815,904

**Company**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 June 2015 and 31 May 2016	5,252,195	160,888	1,451,686	6,864,769
<b>DEPRECIATION</b>				
At 1 June 2015	965,054	80,443	1,166,038	2,211,535
Charge for year	105,044	16,089	145,169	266,302
At 31 May 2016	1,070,098	96,532	1,311,207	2,477,837
<b>NET BOOK VALUE</b>				
At 31 May 2016	4,182,097	64,356	140,479	4,386,932
At 31 May 2015	4,287,141	80,445	285,648	4,653,234



Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016

11. FIXED ASSET INVESTMENTS

**Group**

	Investment in Partnership £
<b>COST</b>	
At 1 June 2015 and 31 May 2016	290,000
<b>NET BOOK VALUE</b>	
At 31 May 2016	290,000
At 31 May 2015	290,000

**Company**

	Shares in group undertakings £	Investment in Partnership £	Totals £
<b>COST</b>			
At 1 June 2015 and 31 May 2016	152,145	290,000	442,145
<b>NET BOOK VALUE</b>			
At 31 May 2016	152,145	290,000	442,145
At 31 May 2015	152,145	290,000	442,145

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 Care Home Limited	Scotland	Residential Care Home	100%
Balmer Developments Limited	Scotland	Property Development	100%

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016

12. STOCKS

	Group	
	2016	2015
	£	£
Stocks	11,250	10,500
Work-in-progress	2,038,594	316,455
	<u>2,049,844</u>	<u>326,955</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Trade debtors	484,560	513,433	-	-
Amounts owed by group undertakings	-	-	1,725,838	1,140,113
Other debtors	22,016	22,015	10	10
Rosepark partnership	583,953	583,953	520,178	520,178
Directors' current accounts	1,446,277	826,104	10,000	10,000
Tax	195,569	115,000	2,500	2,500
VAT	170	101	-	-
Deferred tax asset	24,414	-	39,802	-
Prepayments and accrued income	120,275	129,593	-	-
	<u>2,877,234</u>	<u>2,190,199</u>	<u>2,298,328</u>	<u>1,672,801</u>

Deferred tax asset

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Accelerated capital allowances	<u>24,414</u>	<u>-</u>	<u>39,802</u>	<u>-</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2016	2015	2016	2015
	£	£	£	£
Bank loans and overdrafts (see note 16)	1,668,266	332,836	1,690,713	332,836
Trade creditors	108,375	150,430	-	-
Amounts owed to group undertakings	-	-	354,549	1,474,125
Tax	357,478	322,150	-	3
Social security and other taxes	46,429	40,319	-	-
Other creditors	156,064	127,293	151,982	120,000
Accruals and deferred income	383,667	317,405	19,053	17,273
	<u>2,720,279</u>	<u>1,290,433</u>	<u>2,216,297</u>	<u>1,944,237</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	2016	2015	2016	2015
	£	£	£	£
Bank loans (see note 16)	<u>3,544,622</u>	<u>4,002,238</u>	<u>3,544,622</u>	<u>3,702,238</u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016**

**16. LOANS**

An analysis of the maturity of loans is given below:

	<b>Group</b>		<b>Company</b>	
	2016	2015	2016	2015
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	-	22,447	-
Bank loans	1,668,266	332,836	1,668,266	332,836
	<u>1,668,266</u>	<u>332,836</u>	<u>1,690,713</u>	<u>332,836</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>2,090,534</u>	<u>2,348,607</u>	<u>2,090,534</u>	<u>2,048,607</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>1,347,011</u>	<u>1,504,296</u>	<u>1,347,011</u>	<u>1,504,296</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>107,077</u>	<u>149,335</u>	<u>107,077</u>	<u>149,335</u>

**17. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>Group</b>		<b>Company</b>	
	2016	2015	2016	2015
	£	£	£	£
Bank overdrafts	-	-	22,447	-
Bank loans	5,212,888	4,335,074	5,212,888	4,035,074
	<u>5,212,888</u>	<u>4,335,074</u>	<u>5,235,335</u>	<u>4,035,074</u>

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

Cross guarantees exist between all group companies and the directors have provided bank guarantees for certain debt facilities.

Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016

18. PROVISIONS FOR LIABILITIES

	Group		Company	
	2016	2015	2016	2015
	£	£	£	£
Deferred tax				
Accelerated capital allowances	-	54,346	-	30,829
	<u></u>	<u></u>	<u></u>	<u></u>
<b>Group</b>				
				Deferred tax
				£
Balance at 1 June 2015				54,346
Movement during year				(17,102)
Prior year adjustment				(61,658)
				<u></u>
Balance at 31 May 2016				<u>(24,414)</u>
<b>Company</b>				
				Deferred tax
				£
Balance at 1 June 2015				30,829
Movement during year				(8,973)
Prior year adjustment				(61,658)
				<u></u>
Balance at 31 May 2016				<u>(39,802)</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016	2015
			£	£
152,245	'A' Ordinary	£1	152,245	152,245
2	'B' Ordinary	£1	2	2
2	'C' Ordinary	£1	2	2
2	'D' Ordinary	£1	2	2
2	'E' Ordinary	£1	2	2
2	'F' Ordinary	£1	2	2
			<u></u>	<u></u>
			152,255	152,255
			<u></u>	<u></u>

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016**

**20. RESERVES**

**Group**

	Retained earnings £	Merger reserve £	Totals £
At 1 June 2015	2,786,733	432,120	3,218,853
Profit for the year	813,865		813,865
Dividends	(74,430)		(74,430)
At 31 May 2016	<u>3,526,168</u>	<u>432,120</u>	<u>3,958,288</u>

**Company**

	Retained earnings £
At 1 June 2015	973,025
Profit for the year	315,636
Dividends	(74,430)
At 31 May 2016	<u>1,214,231</u>

**21. RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland, not to disclose related party transactions with wholly owned subsidiaries.

Transactions between group entities which are included in the consolidated accounts are not disclosed within the financial statements.

At 31 May 2016, the group was owed £583,953 (2015 - £583,953) by the Rosepark Partnership, in which company directors are partners.

During the year management charges of £40,000 (2015 - £40,000) were levied on the company by Balmer Investments Limited, a company under common control. At 31 May 2016, the group owed £143,982 (2015 - £112,000) to Balmer Investments Limited.

During the year sums totalling £1,282,810 were advanced to directors and sums totalling £662,637 were repaid by directors. The balance on directors current accounts at 31 May 2016 are disclosed in note 13.

Dividends of £43,830 (2015 - £176,373) were paid to directors of the company in the year.

**Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 May 2016**

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**22. ULTIMATE CONTROLLING PARTY**

The company and group were under the control of the directors throughout the year.

The ultimate controlling parties are Mr & Mrs T Balmer by virtue of their 57.02% shareholding in Balmer Care Homes Group Limited.

**23. FIRST YEAR ADOPTION**

**Transitional relief**

On transition to FRS 102, the group has taken advantage of the following transitional relief:

- not to apply the requirements of Section 19 Business Combinations and Goodwill.

**Balmer Care Homes Group Limited (Registered number: SC278344)**

**Reconciliation of Equity**

**1 June 2014**

**(Date of Transition to FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Intangible assets		430,000	-	430,000
Tangible assets		5,123,639	-	5,123,639
Investments		290,000	-	290,000
		<u>5,843,639</u>	<u>-</u>	<u>5,843,639</u>
<b>CURRENT ASSETS</b>				
Stocks		311,550	-	311,550
Debtors		1,784,358	-	1,784,358
Prepayments and accrued income		78,993	-	78,993
Cash at bank and in hand		199,359	-	199,359
		<u>2,374,260</u>	<u>-</u>	<u>2,374,260</u>
<b>CREDITORS</b>				
Amounts falling due within one year	1	(1,209,671)	-	(1,209,671)
<b>NET CURRENT ASSETS</b>		<u>1,164,589</u>	<u>-</u>	<u>1,164,589</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>7,008,228</u>	<u>-</u>	<u>7,008,228</u>
<b>CREDITORS</b>				
Amounts falling due after more than one year	1	(4,337,027)	-	(4,337,027)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(56,564)</u>	<u>-</u>	<u>(56,564)</u>
<b>NET ASSETS</b>		<u><u>2,614,637</u></u>	<u><u>-</u></u>	<u><u>2,614,637</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		152,245	-	152,245
Merger reserve		432,120	-	432,120
Retained earnings		2,030,272	-	2,030,272
<b>SHAREHOLDERS' FUNDS</b>		<u><u>2,614,637</u></u>	<u><u>-</u></u>	<u><u>2,614,637</u></u>

The notes form part of these financial statements



Reconciliation of Equity - continued  
31 May 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Intangible assets		390,000	-	390,000
Tangible assets		4,815,904	-	4,815,904
Investments		290,000	-	290,000
		<u>5,495,904</u>	<u>-</u>	<u>5,495,904</u>
<b>CURRENT ASSETS</b>				
Stocks		326,955	-	326,955
Debtors		2,190,199	-	2,190,199
Cash at bank and in hand		705,067	-	705,067
		<u>3,222,221</u>	<u>-</u>	<u>3,222,221</u>
<b>CREDITORS</b>				
Amounts falling due within one year	1	(1,290,433)	-	(1,290,433)
<b>NET CURRENT ASSETS</b>		<u>1,931,788</u>	<u>-</u>	<u>1,931,788</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		7,427,692	-	7,427,692
<b>CREDITORS</b>				
Amounts falling due after more than one year	1	(4,002,238)	-	(4,002,238)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(54,346)</u>	<u>-</u>	<u>(54,346)</u>
<b>NET ASSETS</b>		<u>3,371,108</u>	<u>-</u>	<u>3,371,108</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		152,255	-	152,255
Merger reserve		432,120	-	432,120
Retained earnings		2,786,733	-	2,786,733
<b>SHAREHOLDERS' FUNDS</b>		<u>3,371,108</u>	<u>-</u>	<u>3,371,108</u>

Notes to the reconciliation of equity

1. On transition to FRS 102 an adjustment was made to reclassify a related party balance, previously disclosed as due after more than one year, to due within one year as an unconditional right to defer payment was not in place at the transition date.

**Reconciliation of Profit  
for the Year Ended 31 May 2015**

	<b>UK GAAP £</b>	<b>Effect of transition to FRS 102 £</b>	<b>FRS 102 £</b>
<b>TURNOVER</b>	7,139,775	-	7,139,775
Administrative expenses	(5,642,117)	-	(5,642,117)
<b>OPERATING PROFIT</b>	1,497,658	-	1,497,658
Interest payable and similar charges	(232,350)	-	(232,350)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	1,265,308	-	1,265,308
Tax on profit on ordinary activities	(319,678)	-	(319,678)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	945,630	-	945,630
Profit attributable to: Owners of the parent			945,630

The notes form part of these financial statements