

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31 May 2014
for
Balmer Care Homes Group Limited**

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for the Year Ended 31 May 2014**

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Balmer Care Homes Group Limited

**Company Information
for the Year Ended 31 May 2014**

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 2014**

The directors present their strategic report of the company and the group for the year ended 31 May 2014.

REVIEW OF BUSINESS

The group results for the period show a pre-tax profit of £702k (2013 - £599k) on turnover of £6.72m (2013 - £6.67m). The group has a net balance sheet value of £2.61m at 31 May 2014 (2013 - £2.39m).

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

26 February 2015

**Report of the Directors
for the Year Ended 31 May 2014**

The directors present their report with the financial statements of the company and the group for the year ended 31 May 2014.

DIVIDENDS

Interim dividends of £245,000 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 2013 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.

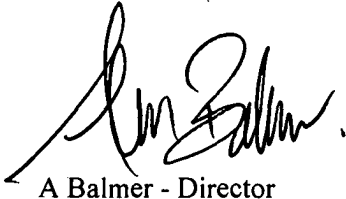
Balmer Care Homes Group Limited (Registered number: SC278344)

**Report of the Directors
for the Year Ended 31 May 2014**

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'A Balmer', is written over the text 'A Balmer - Director'.

A Balmer - Director

26 February 2015

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 2014 on pages seven to twenty six. 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 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 2014 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**

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

26 February 2015

**Consolidated Profit and Loss Account
for the Year Ended 31 May 2014**

	Notes	2014 £	2013 £
TURNOVER		6,717,669	6,674,398
Administrative expenses		<u>5,760,512</u>	<u>5,775,584</u>
OPERATING PROFIT	3	957,157	898,814
Interest payable and similar charges	4	<u>255,398</u>	<u>300,156</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		701,759	598,658
Tax on profit on ordinary activities	5	<u>230,614</u>	<u>196,451</u>
PROFIT FOR THE FINANCIAL YEAR FOR THE GROUP		<u><u>471,145</u></u>	<u><u>402,207</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.

Consolidated Balance Sheet
31 May 2014

		2014		2013	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		430,000		470,000
Tangible assets	9		5,123,639		5,303,320
Investments	10		290,000		230,000
			<u>5,843,639</u>		<u>6,003,320</u>
CURRENT ASSETS					
Stocks	11	311,550		335,167	
Debtors	12	1,863,351		1,480,395	
Cash at bank and in hand		199,359		465,237	
		<u>2,374,260</u>		<u>2,280,799</u>	
CREDITORS					
Amounts falling due within one year	13	1,209,671		1,225,858	
NET CURRENT ASSETS			<u>1,164,589</u>		<u>1,054,941</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,008,228</u>		<u>7,058,261</u>
CREDITORS					
Amounts falling due after more than one year	14		(4,337,027)		(4,659,758)
PROVISIONS FOR LIABILITIES	17		<u>(56,564)</u>		<u>(10,011)</u>
NET ASSETS			<u><u>2,614,637</u></u>		<u><u>2,388,492</u></u>

The notes form part of these financial statements

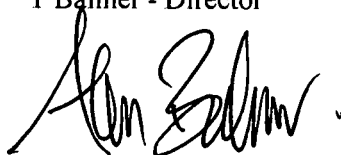
Consolidated Balance Sheet - continued
31 May 2014

		2014		2013	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	18		152,245		152,245
Merger reserve	19		432,120		432,120
Profit and loss account	19		2,030,272		1,804,127
SHAREHOLDERS' FUNDS	22		2,614,637		2,388,492

The financial statements were approved by the Board of Directors on 26 February 2015 and were signed on its behalf by:



T Balmer - Director



A Balmer - Director

Company Balance Sheet
31 May 2014

		2014		2013	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		-		-
Tangible assets	9		4,919,536		5,185,838
Investments	10		442,145		382,145
			<u>5,361,681</u>		<u>5,567,983</u>
CURRENT ASSETS					
Debtors	12	1,419,311		1,444,147	
Cash at bank		19,417		6,641	
		<u>1,438,728</u>		<u>1,450,788</u>	
CREDITORS					
Amounts falling due within one year	13	<u>1,804,345</u>		<u>1,895,290</u>	
NET CURRENT LIABILITIES			<u>(365,617)</u>		<u>(444,502)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,996,064		5,123,481
CREDITORS					
Amounts falling due after more than one year	14		(4,037,027)		(4,359,758)
PROVISIONS FOR LIABILITIES	17		<u>(48,697)</u>		<u>-</u>
NET ASSETS			<u>910,340</u>		<u>763,723</u>

The notes form part of these financial statements

Company Balance Sheet - continued
31 May 2014

		2014		2013	
	Notes	£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	18		152,245		152,245
Profit and loss account	19		758,095		611,478
SHAREHOLDERS' FUNDS	22		910,340		763,723

The financial statements were approved by the Board of Directors on 26 February 2015 and were signed on its behalf by:



T Balmer - Director



A Balmer - Director

**Consolidated Cash Flow Statement
for the Year Ended 31 May 2014**

		2014	2013
	Notes	£	£
Net cash inflow from operating activities	1	1,479,303	1,318,680
Returns on investments and servicing of finance	2	(255,398)	(300,156)
Taxation		(204,337)	(204,149)
Capital expenditure and financial investment	2	(192,125)	(243,841)
Equity dividends paid		(245,000)	(215,044)
		<u>582,443</u>	<u>355,490</u>
Financing	2	(676,430)	173,194
(Decrease)/increase in cash in the period		<u>(93,987)</u>	<u>528,684</u>
Reconciliation of net cash flow to movement in net debt	3		
(Decrease)/increase in cash in the period		(93,987)	528,684
Cash outflow from decrease in debt		<u>295,057</u>	<u>276,806</u>
Change in net debt resulting from cash flows		<u>201,070</u>	<u>805,490</u>
Movement in net debt in the period		201,070	805,490
Net debt at 1 June		<u>(4,794,321)</u>	<u>(5,599,811)</u>
Net debt at 31 May		<u>(4,593,251)</u>	<u>(4,794,321)</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 May 2014

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

	2014	2013
	£	£
Operating profit	957,157	898,814
Depreciation charges	308,278	302,857
Loss on disposal of fixed assets	3,528	-
Amortisation charges	40,000	40,000
Decrease in stocks	23,617	80,227
Decrease/(increase) in debtors	113,417	(3,629)
Increase in creditors	33,306	411
Net cash inflow from operating activities	1,479,303	1,318,680

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

	2014	2013
	£	£
Returns on investments and servicing of finance		
Interest paid	(255,398)	(300,156)
Net cash outflow for returns on investments and servicing of finance	(255,398)	(300,156)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(132,125)	(13,841)
Purchase of fixed asset investments	(60,000)	(230,000)
Net cash outflow for capital expenditure and financial investment	(192,125)	(243,841)
Financing		
Loan repayments in year	(295,057)	(276,806)
Amount introduced by directors	200,000	850,000
Amount withdrawn by directors	(581,373)	(400,000)
Net cash (outflow)/inflow from financing	(676,430)	173,194

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 May 2014

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.6.13 £	Cash flow £	At 31.5.14 £
Net cash:			
Cash at bank and in hand	465,237	(265,878)	199,359
Bank overdraft	(315,092)	171,891	(143,201)
	<u>150,145</u>	<u>(93,987)</u>	<u>56,158</u>
Debt:			
Debts falling due within one year	(284,708)	(27,674)	(312,382)
Debts falling due after one year	(4,659,758)	322,731	(4,337,027)
	<u>(4,944,466)</u>	<u>295,057</u>	<u>(4,649,409)</u>
Total	<u>(4,794,321)</u>	<u>201,070</u>	<u>(4,593,251)</u>

Notes to the Consolidated Financial Statements
for the Year Ended 31 May 2014

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 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 and 10% on cost
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 2014**

1. ACCOUNTING POLICIES - continued

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.

2. STAFF COSTS

	2014	2013
	£	£
Wages and salaries	3,510,548	3,472,240
Social security costs	193,732	185,356
Other pension costs	33,600	33,600
	<u>3,737,880</u>	<u>3,691,196</u>

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

	2014	2013
Administrative and Care Staff	<u>325</u>	<u>338</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2014	2013
	£	£
Hire of plant and machinery	19,297	11,457
Depreciation - owned assets	308,278	302,857
Loss on disposal of fixed assets	3,528	-
Goodwill amortisation	<u>40,000</u>	<u>40,000</u>
Directors' remuneration	88,154	87,000
Directors' pension contributions to money purchase schemes	<u>24,000</u>	<u>24,000</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2014**

3. OPERATING PROFIT - continued

Auditors fees

	2014	2013
	£	£
Audit of these financial statements	5,000	4,500
Audit of financial statements of subsidiaries pursuant to legislation	10,000	8,750
Taxation compliance services	2,500	2,500
Other services	11,975	13,055
	<u>29,475</u>	<u>28,805</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
Bank interest	15,465	17,263
Bank loan interest	239,897	282,069
Taxation Interest	36	824
	<u>255,398</u>	<u>300,156</u>

5. TAXATION

Analysis of the tax charge

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

	2014	2013
	£	£
Current tax:		
UK corporation tax	184,061	203,902
Prior year under/(over) provision	-	(7,451)
Total current tax	<u>184,061</u>	<u>196,451</u>
Deferred tax	46,553	-
Tax on profit on ordinary activities	<u>230,614</u>	<u>196,451</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2014

5. TAXATION - continued

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:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>701,759</u>	<u>598,658</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 23% (2013 - 24%)	161,405	143,678
Effects of:		
Expenses not deductible for tax purposes	11,690	28,200
Depreciation in excess of capital allowances	15,046	33,866
Adjustments to tax charge in respect of previous periods	-	(7,451)
Effect of differing tax rates in year	<u>(4,080)</u>	<u>(1,842)</u>
Current tax charge	<u>184,061</u>	<u>196,451</u>

6. PROFIT 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 profit for the financial year was £391,617 (2013 - £360,325).

7. DIVIDENDS

	2014 £	2013 £
Ordinary shares of £1 each		
Interim	<u>245,000</u>	<u>215,044</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2014

8. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
At 1 June 2013 and 31 May 2014	880,000
AMORTISATION	
At 1 June 2013	410,000
Amortisation for year	40,000
At 31 May 2014	450,000
NET BOOK VALUE	
At 31 May 2014	430,000
At 31 May 2013	470,000

9. TANGIBLE FIXED ASSETS

Group	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 June 2013	5,252,195	183,570	2,014,611	18,075	7,468,451
Additions	-	7,891	65,042	59,192	132,125
Disposals	-	-	-	(18,075)	(18,075)
At 31 May 2014	5,252,195	191,461	2,079,653	59,192	7,582,501
DEPRECIATION					
At 1 June 2013	754,966	68,052	1,328,742	13,371	2,165,131
Charge for year	105,044	17,934	181,658	3,642	308,278
Eliminated on disposal	-	-	-	(14,547)	(14,547)
At 31 May 2014	860,010	85,986	1,510,400	2,466	2,458,862
NET BOOK VALUE					
At 31 May 2014	4,392,185	105,475	569,253	56,726	5,123,639
At 31 May 2013	4,497,229	115,518	685,869	4,704	5,303,320

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2014

9. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST				
At 1 June 2013 and 31 May 2014	5,252,195	160,888	1,451,686	6,864,769
DEPRECIATION				
At 1 June 2013	754,966	48,265	875,700	1,678,931
Charge for year	105,044	16,089	145,169	266,302
At 31 May 2014	860,010	64,354	1,020,869	1,945,233
NET BOOK VALUE				
At 31 May 2014	4,392,185	96,534	430,817	4,919,536
At 31 May 2013	4,497,229	112,623	575,986	5,185,838

10. FIXED ASSET INVESTMENTS

Group

	Investment in Partnership £
COST	
At 1 June 2013	230,000
Additions	60,000
At 31 May 2014	290,000
NET BOOK VALUE	
At 31 May 2014	290,000
At 31 May 2013	230,000

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2014

10. **FIXED ASSET INVESTMENTS - continued**

Company	Shares in group undertakings £	Investment in Partnership £	Totals £
COST			
At 1 June 2013	152,145	230,000	382,145
Additions	-	60,000	60,000
At 31 May 2014	152,145	290,000	442,145
NET BOOK VALUE			
At 31 May 2014	152,145	290,000	442,145
At 31 May 2013	152,145	230,000	382,145

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%

11. **STOCKS**

	Group	
	2014 £	2013 £
Stocks	11,550	11,050
Work-in-progress	300,000	324,117
	<u>311,550</u>	<u>335,167</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2014

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	435,027	444,035	-	-
Amounts owed by group undertakings	-	-	886,633	668,969
Other debtors	14,005	39,971	-	-
Rosepark partnership	583,953	583,953	520,178	520,178
Directors' current accounts	636,373	255,000	10,000	255,000
Tax	115,000	-	2,500	-
VAT	-	1,520	-	-
Prepayments and accrued income	78,993	155,916	-	-
	<u>1,863,351</u>	<u>1,480,395</u>	<u>1,419,311</u>	<u>1,444,147</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdrafts (see note 15)	455,583	599,800	312,382	284,708
Trade creditors	91,173	119,130	-	-
Amounts owed to group undertakings	-	-	1,390,994	1,549,656
Tax	299,061	204,337	2,500	-
Social security and other taxes	55,128	54,595	-	-
Other creditors	80,000	-	80,000	-
Accrued expenses	228,726	247,996	18,469	60,926
	<u>1,209,671</u>	<u>1,225,858</u>	<u>1,804,345</u>	<u>1,895,290</u>

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

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans (see note 15)	<u>4,337,027</u>	<u>4,659,758</u>	<u>4,037,027</u>	<u>4,359,758</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2014**

15. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	143,201	315,092	-	-
Bank loans	312,382	284,708	312,382	284,708
	<u>455,583</u>	<u>599,800</u>	<u>312,382</u>	<u>284,708</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>1,344,300</u>	<u>584,708</u>	<u>1,044,300</u>	<u>284,708</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>2,296,470</u>	<u>3,178,885</u>	<u>2,296,470</u>	<u>3,178,885</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>696,257</u>	<u>896,165</u>	<u>696,257</u>	<u>896,165</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank overdrafts	143,201	315,092	-	-
Bank loans	4,649,409	4,944,466	4,349,409	4,644,466
	<u>4,792,610</u>	<u>5,259,558</u>	<u>4,349,409</u>	<u>4,644,466</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 2014

17. PROVISIONS FOR LIABILITIES

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>56,564</u>	<u>10,011</u>	<u>48,697</u>	<u>-</u>
Group				
				Deferred tax
				£
Balance at 1 June 2013				10,011
Movement during year				<u>46,553</u>
Balance at 31 May 2014				<u>56,564</u>
Company				
				Deferred tax
				£
Movement during year				<u>48,697</u>
Balance at 31 May 2014				<u>48,697</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2014	2013
			£	£
152,245	Ordinary	£1	<u>152,245</u>	<u>152,245</u>

19. RESERVES

Group			
	Profit and loss account	Merger reserve	Totals
	£	£	£
At 1 June 2013	1,804,127	432,120	2,236,247
Profit for the year	471,145		471,145
Dividends	<u>(245,000)</u>		<u>(245,000)</u>
At 31 May 2014	<u>2,030,272</u>	<u>432,120</u>	<u>2,462,392</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2014**

19. RESERVES - continued

Company

	Profit and loss account £
At 1 June 2013	611,478
Profit for the year	391,617
Dividends	(245,000)
	<hr/>
At 31 May 2014	<u>758,095</u>

20. 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 2014, the group was owed £583,953 (2013 - £583,953) by the Rosepark Partnership, in which company directors are partners.

During the year management charges of £40,000 (2013 - £40,000) were levied on the company by Balmer Investments Limited, a company under common control. At 31 May 2014, the group owed £80,000 (2013 - £40,000) to Balmer Investments Limited.

During the year sums totalling £581,373 were loaned to directors. The balance on directors current accounts at 31 May 2014 are disclosed in note 12.

During the year the company invested the sum of £60,000 in Fairline Yacht Charters, a business in which the directors T Balmer and A Balmer are partners. The sums invested represent capital introduced.

Dividends of £245,000 (2013 - £215,044) were paid to directors of the company in the year.

21. 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.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 May 2014**

22. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group

	2014 £	2013 £
Profit for the financial year	471,145	402,207
Dividends	(245,000)	(215,044)
Net addition to shareholders' funds	<u>226,145</u>	<u>187,163</u>
Opening shareholders' funds	2,388,492	2,201,329
Closing shareholders' funds	<u><u>2,614,637</u></u>	<u><u>2,388,492</u></u>

Company

	2014 £	2013 £
Profit for the financial year	391,617	360,325
Dividends	(245,000)	(215,044)
Net addition to shareholders' funds	<u>146,617</u>	<u>145,281</u>
Opening shareholders' funds	763,723	618,442
Closing shareholders' funds	<u><u>910,340</u></u>	<u><u>763,723</u></u>