

Company Registration No. SC278344 (Scotland)

BALMER CARE HOMES GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2019

BALMER CARE HOMES GROUP LIMITED

COMPANY INFORMATION

Directors	Mr G Balmer Mr A Balmer Mrs J McGowan
Secretary	Mr A Balmer
Company number	SC278344
Registered office	c/o Azets Titanium 1 Kings Inch Place Renfrew PA4 8WF
Auditor	Azets Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF

BALMER CARE HOMES GROUP LIMITED

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BALMER CARE HOMES GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2019

The directors present the strategic report for the year ended 30 November 2019.

Fair review of the business

The group results for the period show a pre-tax profit of £267k (2018 - £6.07m) on turnover of £3.5m (2018 - £12.2m). The group has a net balance sheet value of £1.81m at 30 November 2019 (2018 - £10.67m).

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 operations 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.

COVID-19

Following the global outbreak of the COVID-19 virus subsequent to the year end, the group is exposed to the following risks:

- Interruption to operations due to an absence of staff for a period due to contracting the virus.
- Reduction in revenue as a result of outbreak of the virus therefore having to limit new residents.
- The impact on the carrying value of stock held.

The group is following Government guidance concerning all aspects of the pandemic to ensure best practice precautions are applied. The group continues to monitor the risks and is in constant communication with residents and their families, as well as staff as events transpire and Government advice develops.

The current and future financial position of the group and its liquidity position have been reviewed by the directors.

The group continues to be profitable and cash generative post year end and since the start of the outbreak. The directors acknowledge that this could change suddenly depending on how the situation evolves and will assess and respond to any change in risk as appropriate.

Although it is not possible to reliably estimate the length or severity of this outbreak, at the date of signing, the group has adequate resources to continue in operational existence for the foreseeable future. This includes ensuring the group has sufficient headroom to meet any additional forecast cash requirements that would be contingent on an extended downturn in activity in relation to the COVID-19 pandemic.

Key performance indicators

Given the straightforward nature of this 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.

BALMER CARE HOMES GROUP LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

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.

Future Outlook

The group is in a strong position to continue as a leading provider of residential nursing care with continuing high occupancy rates.

On behalf of the board

Mr A Balmer

Director

27 November 2020

BALMER CARE HOMES GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2019

The directors present their annual report and financial statements for the year ended 30 November 2019.

Principal activities

The principal activity of the company and group continued to be that of the running of residential nursing homes and property development.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr G Balmer

Mrs A Balmer

(Resigned 17 December 2018)

Mr A Balmer

Mr T Balmer

(Resigned 17 December 2018)

Mrs J McGowan

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £48,177. The directors do not recommend payment of a further dividend.

Post reporting date events

Details with regards to subsequent events can be found in the notes to the financial statements.

Auditor

The auditor, Azets Audit Services (formally trading as Campbell Dallas Audit Services), is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report 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 group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BALMER CARE HOMES GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

Mr A Balmer

Director

27 November 2020

BALMER CARE HOMES GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BALMER CARE HOMES GROUP LIMITED

Opinion

We have audited the financial statements of Balmer Care Homes Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2019 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 November 2019 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.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BALMER CARE HOMES GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BALMER CARE HOMES GROUP LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

BALMER CARE HOMES GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BALMER CARE HOMES GROUP LIMITED

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Greig McKnight (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
Chartered Accountants
Statutory Auditor

30 November 2020

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

BALMER CARE HOMES GROUP LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2019

		Year ended 30 November 2019	18 months ended 30 Nov 2018 as restated
	Notes	£	£
Turnover	3	3,483,134	12,196,078
Administrative expenses		(3,144,494)	(10,855,192)
Other operating income		10,127	16,775
Operating profit	4	348,767	1,357,661
Interest payable and similar expenses	8	(81,576)	(289,103)
Gain on disposal of fixed asset investments	9	-	4,997,904
Profit before taxation		267,191	6,066,462
Tax on profit	10	(81,337)	(332,951)
Profit for the financial year	26	185,854	5,733,511

Profit for the financial year is all attributable to the owners of the parent company.

BALMER CARE HOMES GROUP LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2019

	Year ended 30 November 2019 £	18 months ended 30 Nov 2018 £
Profit for the year	185,854	5,733,511
Other comprehensive income	-	-
Total comprehensive income for the year	<u>185,854</u>	<u>5,733,511</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

BALMER CARE HOMES GROUP LIMITED

GROUP BALANCE SHEET

AS AT 30 NOVEMBER 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		2,013,278		2,067,449
Current assets					
Stocks	16	1,892,746		1,889,839	
Debtors	17	1,203,093		1,588,383	
Cash at bank and in hand		83,136		7,855,809	
		<u>3,178,975</u>		<u>11,334,031</u>	
Creditors: amounts falling due within one year	18	<u>(2,420,104)</u>		<u>(1,186,588)</u>	
Net current assets			758,871		10,147,443
Total assets less current liabilities			<u>2,772,149</u>		<u>12,214,892</u>
Creditors: amounts falling due after more than one year	19		(963,237)		(1,543,657)
Net assets			<u>1,808,912</u>		<u>10,671,235</u>
Capital and reserves					
Called up share capital	23		65,440		152,255
Capital redemption reserve	24		86,815		-
Other reserves	25		432,120		432,120
Profit and loss reserves	26		<u>1,224,537</u>		<u>10,086,860</u>
Total equity			<u>1,808,912</u>		<u>10,671,235</u>

The financial statements were approved by the board of directors and authorised for issue on 27 November 2020 and are signed on its behalf by:

Mr A Balmer
Director

BALMER CARE HOMES GROUP LIMITED

COMPANY BALANCE SHEET

AS AT 30 NOVEMBER 2019

		2019		2018 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12		1,925,047		1,995,136
Investments	13		52,141		52,141
			<u>1,977,188</u>		<u>2,047,277</u>
Current assets					
Debtors	17	1,648,135		1,936,520	
Cash at bank and in hand		355		7,911,347	
		<u>1,648,490</u>		<u>9,847,867</u>	
Creditors: amounts falling due within one year	18	(1,053,904)		(1,583,075)	
Net current assets			<u>594,586</u>		<u>8,264,792</u>
Total assets less current liabilities			<u>2,571,774</u>		<u>10,312,069</u>
Creditors: amounts falling due after more than one year	19		(963,237)		(1,543,657)
Net assets			<u><u>1,608,537</u></u>		<u><u>8,768,412</u></u>
Capital and reserves					
Called up share capital	23		65,440		152,255
Capital redemption reserve	24		86,815		-
Profit and loss reserves	26		1,456,282		8,616,157
Total equity			<u><u>1,608,537</u></u>		<u><u>8,768,412</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £1,888,302 (2018 - £7,132,698 profit).

The financial statements were approved by the board of directors and authorised for issue on 27 November 2020 and are signed on its behalf by:

Mr A Balmer
Director

Company Registration No. SC278344

BALMER CARE HOMES GROUP LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2019

	Notes	Share capital £	Capital redemption reserve £	Other reserves £	Profit and loss reserves £	Total £
As restated for the period ended 30 November 2018:						
Balance at 1 June 2017		152,255	-	432,120	4,402,048	4,986,423
Period ended 30 November 2018:						
Profit and total comprehensive income for the period		-	-	-	5,733,511	5,733,511
Dividends	11	-	-	-	(48,699)	(48,699)
Balance at 30 November 2018		152,255	-	432,120	10,086,860	10,671,235
Year ended 30 November 2019:						
Profit and total comprehensive income for the year		-	-	-	185,854	185,854
Dividends	11	-	-	-	(48,177)	(48,177)
Own shares acquired		(86,815)	86,815	-	(9,000,000)	(9,000,000)
Balance at 30 November 2019		65,440	86,815	432,120	1,224,537	1,808,912

BALMER CARE HOMES GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2019

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
As restated for the period ended 30 November 2018:					
Balance at 1 June 2017		152,255	-	1,532,158	1,684,413
Period ended 30 November 2018:					
Profit and total comprehensive income for the period		-	-	7,132,698	7,132,698
Dividends	11	-	-	(48,699)	(48,699)
Balance at 30 November 2018		152,255	-	8,616,157	8,768,412
Year ended 30 November 2019:					
Profit and total comprehensive income for the year		-	-	1,888,302	1,888,302
Dividends	11	-	-	(48,177)	(48,177)
Own shares acquired		(86,815)	86,815	(9,000,000)	(9,000,000)
Balance at 30 November 2019		65,440	86,815	1,456,282	1,608,537

BALMER CARE HOMES GROUP LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2019

		2019		2018	
	Notes	£	£	as restated	£
Cash flows from operating activities					
Cash generated from operations	29	1,813,733		2,902,320	
Interest paid		(81,576)		(289,103)	
Income taxes paid		(126,973)		(972,731)	
Net cash inflow from operating activities		<u>1,605,184</u>		<u>1,640,486</u>	
Investing activities					
Purchase of tangible fixed assets		(45,512)		(49,555)	
Proceeds on disposal of fixed asset investments		-		6,853,948	
Proceeds from other investments and loans		<u>487,618</u>		<u>2,403,330</u>	
Net cash generated from investing activities			<u>442,106</u>		<u>9,207,723</u>
Financing activities					
Purchase of own shares		(9,000,000)		-	
Repayment of bank loans		(771,786)		(2,813,421)	
Dividends paid to equity shareholders		<u>(48,177)</u>		<u>(48,699)</u>	
Net cash used in financing activities			<u>(9,819,963)</u>		<u>(2,862,120)</u>
Net (decrease)/increase in cash and cash equivalents			<u>(7,772,673)</u>		<u>7,986,089</u>
Cash and cash equivalents at beginning of year		7,855,809		(130,280)	
Cash and cash equivalents at end of year		<u>83,136</u>		<u>7,855,809</u>	

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

Company information

Balmer Care Homes Group Limited ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is c/o Azets, Titanium 1, King's Inch Place, Renfrew, PA4 8WF.

The group consists of Balmer Care Homes Group Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

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

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Balmer Care Homes Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 November 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.3 Going concern

Following the global outbreak of the COVID-19 virus subsequent to the year end, the group is exposed to the following risks:

- Interruption to operations due to an absence of staff for a period due to contracting the virus.
- Reduction in revenue as a result of outbreak of the virus therefore having to limit new residents.
- The impact on the carrying value of stock held.

The group is following Government guidance concerning all aspects of the pandemic to ensure best practice precautions are applied. The group continues to monitor the risks and is in constant communication with residents and their families, as well as staff as events transpire and Government advice develops.

The current and future financial position of the group and its liquidity position have been reviewed by the directors.

The group continues to be profitable and cash generative post year end and since the start of the outbreak. The directors acknowledge that this could change suddenly depending on how the situation evolves and will assess and respond to any change in risk as appropriate.

Following this review, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. This includes ensuring the group has sufficient headroom to meet any additional forecast cash requirements that would be contingent on an extended downturn in activity in relation to the COVID-19 pandemic.

As such, the directors consider that it is appropriate to prepare the financial statements on the going concern basis.

1.4 Reporting period

The comparative reporting period was extended to 18 month period as part of a group restructure. As such, the comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Turnover represents fee income relating to the provision of care services. Fee income comprises care home fees which are recognised when the delivery of the service is completed. Fees invoiced in advance are included in deferred income until the service is completed.

1.6 Tangible fixed assets

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

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

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

Freehold land and buildings	2% on cost
Plant and equipment	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

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

1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.8 Impairment of fixed assets

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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

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

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

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

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

1.13 Taxation

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

Current tax

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

Deferred tax

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

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

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

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

1.16 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

1 Accounting policies

(Continued)

1.17 Prior period reclassification

Following a review of the classification of items within the balance sheet, the prior year financial statements have been restated to reclassify £331,312 from other debtors to loans and overdrafts. There is no impact to total equity or profit for the financial year as previously reported.

2 Judgements and key sources of estimation uncertainty

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

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

3 Turnover and other revenue

	2019	2018
	£	£
Turnover analysed by class of business		
Provision of care home services	3,483,134	12,196,078

4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	99,683	159,854
Profit on disposal of tangible fixed assets	-	(11,278)
Amortisation of intangible assets	-	40,000

5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	6,000	10,250
Audit of the financial statements of the company's subsidiaries	9,000	10,250
	15,000	20,500

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

6 Employees

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

Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
126	312	-	-

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	1,859,841	6,473,309	-	-
Social security costs	124,381	417,512	-	-
Pension costs	25,330	60,300	-	-
	2,009,552	6,951,121	-	-

7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	73,846	149,423
Company pension contributions to defined contribution schemes	4,000	-
	77,846	149,423

8 Interest payable and similar expenses

	2019 £	2018 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	80,180	269,926
Other finance costs:		
Other interest	1,396	19,177
Total finance costs	81,576	289,103

9 Gain on disposal of fixed asset investments

	2019 £	2018 £
Gain on disposal of fixed asset investments	-	4,997,904

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

10 Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	74,662	341,855
Adjustments in respect of prior periods	-	(16,030)
	<u>74,662</u>	<u>325,825</u>
Total current tax	<u>74,662</u>	<u>325,825</u>
Deferred tax		
Origination and reversal of timing differences	6,675	7,126
	<u>6,675</u>	<u>7,126</u>
Total tax charge	<u>81,337</u>	<u>332,951</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	<u>267,191</u>	<u>6,066,462</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	50,766	1,152,628
Tax effect of expenses that are not deductible in determining taxable profit	28,845	1,997
Tax effect of income not taxable in determining taxable profit	(7,782)	(952,677)
Adjustments in respect of prior years	-	(16,031)
Other permanent differences	-	(34)
Adjust closing deferred tax to average rate	(752)	(834)
Fixed asset differences	10,260	22,990
Current tax relating to disposed subsidiaries	-	124,912
	<u>81,337</u>	<u>332,951</u>
Taxation charge	<u>81,337</u>	<u>332,951</u>

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

11 Dividends

Recognised as distributions to equity holders:

	2019 Per share £	2018 Per share £	2019 Total £	2018 Total £
'B' Ordinary shares				
Interim paid	-	9,349.50	-	18,699
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
'C' Ordinary shares				
Interim paid	672.75	7,500.00	13,455	15,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
'D' Ordinary shares				
Interim paid	648.90	7,500.00	12,978	15,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
'E' Ordinary shares				
Interim paid	543.60	-	10,872	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
'F' Ordinary shares				
Interim paid	543.60	-	10,872	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total dividends				
Interim paid			48,177	48,699
			<u> </u>	<u> </u>

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

12 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 December 2018	2,700,000	191,461	1,610,054	85,062	4,586,577
Additions	-	33,795	11,717	-	45,512
At 30 November 2019	2,700,000	225,256	1,621,771	85,062	4,632,089
Depreciation and impairment					
At 1 December 2018	729,000	164,849	1,576,524	48,755	2,519,128
Depreciation charged in the year	54,000	24,087	9,644	11,952	99,683
At 30 November 2019	783,000	188,936	1,586,168	60,707	2,618,811
Carrying amount					
At 30 November 2019	1,917,000	36,320	35,603	24,355	2,013,278
At 30 November 2018	1,971,000	26,612	33,530	36,307	2,067,449

Company	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Total £
Cost				
At 1 December 2018 and 30 November 2019	2,700,000	160,888	1,451,686	4,312,574
Depreciation and impairment				
At 1 December 2018	729,000	136,752	1,451,686	2,317,438
Depreciation charged in the year	54,000	16,089	-	70,089
At 30 November 2019	783,000	152,841	1,451,686	2,387,527
Carrying amount				
At 30 November 2019	1,917,000	8,047	-	1,925,047
At 30 November 2018	1,971,000	24,136	-	1,995,136

13 Fixed asset investments

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Investments in subsidiaries	14	-	-	52,141	52,141

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

13 Fixed asset investments (Continued)

Movements in fixed asset investments Company	Shares in group undertakings
	£
Cost or valuation	
At 1 December 2018 and 30 November 2019	52,141
Carrying amount	
At 30 November 2019	52,141
At 30 November 2018	52,141

14 Subsidiaries

Details of the company's subsidiaries at 30 November 2019 are as follows:

Name of undertaking	Address	Class of shares held	% Held Direct
Summerlee House Limited	1	Ordinary	100.00
Balmer Developments Limited	1	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

1 Azets, Titanium 1, Kings Inch Place, Glasgow, G51 4BP

15 Financial instruments

	Group 2019 £	2018 £	Company 2019 £	2018 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	823,905	1,212,156	1,546,555	1,831,115
Carrying amount of financial liabilities				
Measured at amortised cost	3,270,530	2,567,617	2,017,141	3,126,732

16 Stocks

	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables	4,400	4,400	-	-
Work in progress	1,888,346	1,885,439	-	-
	1,892,746	1,889,839	-	-

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

17 Debtors

	Group 2019	2018	Company 2019	2018
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	313,627	254,784	-	-
Corporation tax recoverable	324,593	324,593	60,000	60,000
Amounts owed by group undertakings	-	-	1,076,799	873,741
Other debtors	510,855	958,043	469,756	957,374
Prepayments and accrued income	19,838	10,108	-	-
	<u>1,168,913</u>	<u>1,547,528</u>	<u>1,606,555</u>	<u>1,891,115</u>
Deferred tax asset (note 21)	34,180	40,855	41,580	45,405
	<u>1,203,093</u>	<u>1,588,383</u>	<u>1,648,135</u>	<u>1,936,520</u>

18 Creditors: amounts falling due within one year

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank loans	20	244,619	435,985	244,619	435,985
Trade creditors		63,184	138,026	-	-
Amounts owed to group undertakings		-	-	-	774,111
Corporation tax payable		85,351	137,662	-	-
Other taxation and social security		27,460	24,966	-	-
Other creditors		1,872,714	200,253	783,258	231,982
Accruals and deferred income		126,776	249,696	26,027	140,997
		<u>2,420,104</u>	<u>1,186,588</u>	<u>1,053,904</u>	<u>1,583,075</u>

19 Creditors: amounts falling due after more than one year

	Notes	Group 2019	2018	Company 2019	2018
		£	£	£	£
Bank loans and overdrafts	20	<u>963,237</u>	<u>1,543,657</u>	<u>963,237</u>	<u>1,543,657</u>

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

20 Loans and overdrafts

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	1,207,856	1,979,642	1,207,856	1,979,642
Payable within one year	244,619	435,985	244,619	435,985
Payable after one year	963,237	1,543,657	963,237	1,543,657

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

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

21 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Assets 2019 £	Assets 2018 £
Accelerated capital allowances	34,180	40,855
Company	Assets 2019 £	Assets 2018 £
Accelerated capital allowances	41,580	45,405
Movements in the year:	Group 2019 £	Company 2019 £
Asset at 1 December 2018	(40,855)	(45,405)
Charge to profit or loss	6,675	3,825
Asset at 30 November 2019	(34,180)	(41,580)

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

22 Retirement benefit schemes

	2019	2018
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	25,330	60,300

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

23 Share capital

	Group and company	
	2019	2018
Ordinary share capital	£	£
Issued and fully paid		
654,300 'A' Ordinary shares of 10p each	65,430	152,245
20 'B' Ordinary shares of 10p each	2	2
20 'C' Ordinary shares of 10p each	2	2
20 'D' Ordinary shares of 10p each	2	2
20 'E' Ordinary shares of 10p each	2	2
20 'F' Ordinary shares of 10p each	2	2
	<u>65,440</u>	<u>152,255</u>

Reconciliation of movements during the year:

	A	B	C	D	E	F
	Number	Number	Number	Number	Number	Number
At 1 December 2018	152,245	2	2	2	2	2
Purchase of shares	(86,815)	-	-	-	-	-
Sub-division of shares	588,870	18	18	18	18	18
At 30 November 2019	<u>654,300</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>	<u>20</u>

On 18 December 2018, 86,815 ordinary "A" shares with an aggregate nominal value of £86,815 were purchased by the company and subsequently cancelled. The ordinary "A" shares were acquired for a total consideration of £9m. The ordinary shares acquired represented 57.02% of the called up ordinary share capital immediately prior to the acquisition. These shares were acquired in order to by back the shares of the majority shareholder in the company.

On 18 December 2018, the remaining 65,430 ordinary £1 "A" shares; 2 ordinary £1 "B" shares; 2 ordinary £1 "C" shares; 2 ordinary £1 "D" shares; 2 ordinary £1 "E" shares and 2 ordinary £1 "F" shares were sub-divided to 654,300 ordinary 10p "A" shares; 20 ordinary 10p "B" shares; 20 ordinary 10p "C" shares; 20 ordinary 10p "D" shares; 20 ordinary 10p "E" shares and 20 ordinary 10p "F" shares.

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

24 Capital redemption reserve

	Group 2019 £	2018 £	Company 2019 £	2018 £
At the beginning of the year	-	-	-	-
Other movements	86,815	-	86,815	-
At the end of the year	86,815	-	86,815	-

25 Other reserves

Group	£
At the beginning of the prior year	432,120
At the end of the prior year	432,120
At the end of the current year	432,120
Company	£
At the beginning of the prior year	-
At the end of the prior year	-
At the end of the current year	-

26 Profit and loss reserves

	Group 2019 £	2018 as restated £	Company 2019 £	2018 as restated £
At the beginning of the year	10,086,860	4,402,048	8,616,157	1,532,158
Profit for the year	185,854	5,733,511	1,888,302	7,132,698
Dividends	(48,177)	(48,699)	(48,177)	(48,699)
Own shares acquired	(9,000,000)	-	(9,000,000)	-
At the end of the year	1,224,537	10,086,860	1,456,282	8,616,157

27 Events after the reporting date

Disclosure with regards to the impact of the COVID-19 pandemic can be seen in note 1.3 to these financial statements.

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

28 Controlling party

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

The ultimate controlling party is Mr A Balmer by virtue of his 60% shareholding in Balmer Care Homes Group Limited at the year end.

29 Cash generated from group operations

	2019 £	2018 £
Profit for the year after tax	185,854	5,733,511
Adjustments for:		
Taxation charged	81,337	332,951
Finance costs	81,576	289,103
Gain on disposal of tangible fixed assets	-	(11,278)
Amortisation and impairment of intangible assets	-	40,000
Depreciation and impairment of tangible fixed assets	99,683	1,318,158
Gain on sale of investments	-	(4,997,904)
Movements in working capital:		
Increase in stocks	(2,907)	(73,826)
Increase in debtors	(109,003)	(158,679)
Increase in creditors	1,477,193	433,252
Cash generated from operations	1,813,733	2,905,288

30 Prior period adjustment

Reconciliation of changes in equity - group

		1 June 2017 £	30 November 2018 £
Adjustments to prior year	Notes		
Gain on disposal of fixed asset investments	1)	-	(118,737)
Equity as previously reported		4,986,423	10,789,972
Equity as adjusted		4,986,423	10,671,235

Reconciliation of changes in profit for the previous financial period

		2018 £
Adjustments to prior year	Notes	
Gain on disposal of fixed asset investments	1)	(118,737)
Profit as previously reported		5,852,248
Profit as adjusted		5,733,511

BALMER CARE HOMES GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2019

30 Prior period adjustment (Continued)

Reconciliation of changes in equity - company

		1 June 2017	30 November 2018
	Notes	£	£
Adjustments to prior year			
Gain on disposal of fixed asset investments	1)	-	(118,737)
Equity as previously reported		1,684,413	8,887,149
Equity as adjusted		<u>1,684,413</u>	<u>8,768,412</u>

Reconciliation of changes in profit for the previous financial period

	Notes	2018 £
Adjustments to prior year		
Gain on disposal of fixed asset investments	1)	(118,737)
Profit as previously reported		<u>7,251,435</u>
Profit as adjusted		<u>7,132,698</u>

Notes to reconciliation

1) Gain on disposal of fixed asset investments

There was a late adjustment to the consideration received in respect of the disposal of fixed asset investments following the approval of the final completion accounts. Management have considered it appropriate to recognise this reduction in the previous period.

Notes to reconciliation

(1) Gain on disposal of fixed asset investments

There was a late adjustment to the consideration received in respect of the disposal of fixed asset investments following the approval of the final completion accounts. Management have considered it appropriate to recognise this reduction in the previous period.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.