

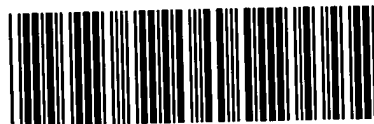
Balmoral Homecare Limited

Registered number: SC290388

Directors' report and financial statements

For the period ended 31 December 2022

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COMPANIES HOUSE

BALMORAL HOMECARE LIMITED

COMPANY INFORMATION

DIRECTORS

D Stapelberg
S Roberts
J Weight
D Jolly
C Moraitis

COMPANY SECRETARY

L Peach

REGISTERED NUMBER

SC290388

REGISTERED OFFICE

53 Beresford Terrace
Ayr
South Ayrshire
KA7 2HD

INDEPENDENT AUDITOR

Mazars LLP
Chartered Accountants & Statutory Auditor
Two Chamberlain Square
Birmingham
B3 3AX

BALMORAL HOMECARE LIMITED

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BALMORAL HOMECARE LIMITED

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the period ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the group is the provision of home care services.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the and to enable them to ensure that the financial statements comply with the Companies Act 2006. The directors also responsible for safeguarding the assets of the and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The profit for the 16 month period to 31/12/22, after taxation, amounted to £511,701 (2021 – 12 months to 31/08/21, profit of £556,454).

The Company did not pay a dividend during the period (2021: £Nil).

DIRECTORS

The directors who served during the period were:

RS Bains (resigned 3 December 2021)
D Stapelberg
S Roberts
J Weight (appointed 3 December 2021)
D Jolly (appointed 3 December 2021)
C Moraitis (appointed 3 December 2021)

BALMORAL HOMECARE LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022

FUTURE DEVELOPMENTS

The entire social care sector faces ongoing challenges due to the financial pressures on government funding and rising staff costs. Whilst the Company has continued to review all existing Local Authority contracts and to ensure their long-term sustainability, it is also looking at potential growth opportunities, through a variety of methods such as acquisitions, new contracts and tenders and diversification into different areas of social care.

The long term financial sustainability of any potential growth opportunities is always reviewed with long term sustainability in mind. Any existing contracts deemed unsustainable in the long term have been terminated. The aim of this is to ensure the Company can continue to provide the quality service it believes its service users deserve, whilst ensuring its own financial stability.

EMPLOYEE INVOLVEMENT

Employee involvement is essential to the success of the organisation. Communication with staff is managed in such a way as to ensure that staff are involved and consulted on all aspects of the business. Channels include appraisal, best practice events, circulars and newsletters.

DISABLED EMPLOYEES

It is the company's policy to ensure that equality of opportunity is provided to all employees and those seeking to provide opportunities and make all reasonable adjustments to support the employment, training and development and retention of those with a disability.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

BALMORAL HOMECARE LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 DECEMBER 2022

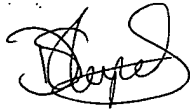
AUDITOR

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

SMALL COMPANIES NOTE

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board 26 April 2023 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'D Stapelberg', written over a horizontal line.

D Stapelberg
Director

BALMORAL HOMECARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALMORAL HOMECARE LIMITED

Opinion

We have audited the financial statements of Balmoral Homecare Limited (the 'Company') for the 16 month period ended 31 December 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity 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 Company's affairs as at 31 December 2022 and of its profit for the period 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

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALMORAL HOMECARE LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit, and
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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 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 company or to cease operations, or have no realistic alternative but to do so.

BALMORAL HOMECARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALMORAL HOMECARE LIMITED

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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements; UK tax legislation and employment regulation.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, revenue recognition (which we pinpointed to the cut-off of revenue recognised in the period), and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

BALMORAL HOMECARE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BALMORAL HOMECARE LIMITED

Use of the audit 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.

Ian Holder

Ian Holder (Senior statutory auditor)
for and on behalf of Mazars LLP
Chartered Accountants and Statutory
Two Chamberlain Square
Birmingham
B3 3AX

Apr 28, 2023

BALMORAL HOMECARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2022**

	Note	16 months to 31/12/22 £	12 months to 31/08/21 £
Turnover		8,644,987	4,831,059
Cost of sales		(6,000,916)	(3,090,893)
GROSS PROFIT		2,644,071	1,740,166
Administrative expenses		(1,785,839)	(1,044,219)
Exceptional administrative expenses	5	(295,128)	-
Other operating income	6	88,196	-
OPERATING PROFIT		651,300	695,947
Interest payable	7	(67,703)	(1)
PROFIT BEFORE TAX		583,597	695,946
Tax on profit	8	(71,896)	(139,492)
PROFIT FOR THE FINANCIAL PERIOD		511,701	556,454

There was no other comprehensive income for 2022 (2021:£NIL).
The notes on pages 11 to 22 form part of these financial statements.

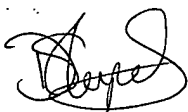
BALMORAL HOMECARE LIMITED
REGISTERED NUMBER: SC290388

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	31/12/22 £	31/08/21 £
FIXED ASSETS			
Investments	9	1,092,877	2,616,141
Intangible fixed assets - Goodwill	10	2,271,630	-
Tangible fixed assets	11	10,300	22,887
		<u>3,374,807</u>	<u>2,639,028</u>
CURRENT ASSETS			
Debtors: amounts falling due within one year	12	1,226,618	1,101,623
Cash at bank and in hand	13	157,229	745,797
		<u>1,383,847</u>	<u>1,847,420</u>
Creditors: amounts falling due within one year	14	(2,779,444)	(4,036,033)
NET CURRENT LIABILITIES		<u>(1,395,597)</u>	<u>(2,188,613)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,979,210</u>	<u>450,415</u>
Creditors: amounts falling due after more than one year	15	(1,017,704)	-
Provision for liabilities and charges	16	-	(610)
NET ASSETS		<u><u>961,506</u></u>	<u><u>449,805</u></u>
CAPITAL AND RESERVES			
Called up share capital		100	100
Profit and loss account		961,406	449,705
		<u><u>961,506</u></u>	<u><u>449,805</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS102 Section 1A -small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2023.



D Stapelberg
Director

BALMORAL HOMECARE LIMITED

**STATEMENT OF CHANGES IN EQUITY FOR THE
PERIOD ENDED 31 DECEMBER 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2021	100	449,705	449,805
COMPREHENSIVE INCOME FOR THE PERIOD			
Profit for the period	-	511,701	511,701
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	-	511,701	511,701
AT 31 DECEMBER 2022	<u>100</u>	<u>961,406</u>	<u>961,506</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 AUGUST 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 September 2020	100	(106,749)	(106,649)
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	556,454	556,454
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	556,454	556,454
AT 31 AUGUST 2021	<u>100</u>	<u>449,705</u>	<u>449,805</u>

The notes on pages 11 to 21 form part of these financial statements.

BALMORAL HOMECARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

1. GENERAL INFORMATION

Balmoral Homecare Limited (the company) is a private limited company, by shares, incorporated and domiciled in the United Kingdom. The address of its registered office is 53 Beresford Terrace, Ayr, South Ayrshire, KA7 2HD

The company's principal activity is the provision of care services.

The financial statements are prepared in Sterling, which is considered to be the functional currency of the company and are rounded to the nearest £1.

2. ACCOUNTING POLICIES**2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 GOING CONCERN

The Directors have prepared forecasts for the period up to 31 December 2024, including realistic downside scenarios. They have considered the current risks and opportunities facing the Company, and the Group of which it is part, and their potential impact on the cash flows expected to be generated. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to manage business risk successfully. The directors therefore continue to adopt the going concern basis in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.3 REVENUE

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

Rendering of services

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

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

2.4 TANGIBLE FIXED ASSETS

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

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

Depreciation is provided on the following basis:

Long-term leasehold property	-	Over the term of the lease
Office Equipment	-	25% Straight line
Fixtures and fittings	-	25% Straight line
Other fixed assets	-	33% Straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.5 OPERATING LEASES

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 DEBTORS

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

2.8 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

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

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.9 CASH AND CASH EQUIVALENTS

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

2.10 CREDITORS

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

2.11 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.12 FINANCE COSTS

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

2.13 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.14 PENSIONS

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

2. ACCOUNTING POLICIES (CONTINUED)

2.16 PROVISIONS FOR LIABILITIES

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

Provisions are charged as an expense to profit or loss in the period that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.17 CURRENT AND DEFERRED TAXATION

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.18 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

BALMORAL HOMECARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

**3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that there are no critical accounting policies where judgements or estimations are necessarily applied in the financial statements.

4. EMPLOYEES

The average monthly number of employees, including the directors, during the period was as follows:

	16 months to 31/12/22 No.	12 months to 31/08/21 No.
Total	274	247

5. EXCEPTIONAL ADMINISTRATIVE EXPENSES

	16 months to 31/12/22 £	12 months to 31/08/21 £
Goodwill amortisation	295,128	-

6. OTHER OPERATING INCOME

	16 months to 31/12/22 £	12 months to 31/08/21 £
Government grant income	88,196	-

7. INTEREST PAYABLE

	16 months to 31/12/22 £	12 months to 31/08/21 £
Interest on group loan	67,703	-

BALMORAL HOMECARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

8. TAXATION

	16 months to 31/12/22 £	12 months to 31/08/21 £
CORPORATION TAX		
Current tax on profit for the period	75,812	138,743
Adjustments in respect of previous periods	(180)	74
TOTAL CURRENT TAX	75,632	138,817
Origination and reversal of timing differences	(2,700)	695
Adjustments in respect of previous periods	(183)	(20)
Effect of tax rate change on opening balance	(853)	-
TOTAL DEFERRED TAX	(3,736)	675
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	71,896	139,492

FACTORS AFFECTING TAX CHARGE FOR THE PERIOD

The tax assessed for the period is lower than (2021 – higher than) the standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%). The differences are explained below:

	16 months to 31/12/22 £	12 months to 31/08/21 £
Profit on ordinary activities before tax	583,597	695,946
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2021 - 19.00%)	110,883	132,230
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortization and impairment	103,344	7,941
Short term timing difference leading to a decrease in taxation		(750)
Group relief surrendered / (claimed)	(141,039)	-
Adjustments to tax charge in respect of prior periods	(180)	-
Adjustments to tax charge in respect of prior periods deferred tax	(183)	-
Remeasurement of deferred tax for changes in tax rates	(853)	-
Fixed asset differences	(76)	71
TOTAL TAX CHARGE FOR THE PERIOD	71,896	139,492

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

BALMORAL HOMECARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

9. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
COST	
At 1 September 2021	2,616,141
Additions	132,479
Reclassified as intangible fixed assets – Goodwill	(1,655,743)
At 31 December 2022	<u>1,092,877</u>

The additions relate to the acquisition of 100% of the ordinary share capital of Able Health Care Scotland Limited. The trade and assets were hived up into Balmoral Homecare Limited on completion.

SUBSIDIARY UNDERTAKINGS

The following, all registered in Scotland, were subsidiary undertakings of the company:

Name	Class of Shares	Holding
Active Care (Ayrshire) Limited	Ordinary	100%
Acasa Care Limited	Ordinary	100%
Able Health Care Scotland Limited	Ordinary	100%

10. INTANGIBLE ASSETS - GOODWILL

COST	
At 1 September 2021	-
Additions	911,014
Reclassified from investments	1,655,743
At 31 December 2022	<u>2,566,757</u>
AMORTISATION	
At 1 September 2021	-
Charge for the period	295,128
At 31 December 2022	<u>295,128</u>
NET BOOK VALUE	
At 31 December 2022	<u>2,271,630</u>
At 31 August 2021	<u>-</u>

BALMORAL HOMECARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

11. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures & fittings £	Office equipment £	Other fixed assets £	Total £
Cost					
At 1 September 2021	1,227	22,013	3,795	58,018	85,053
Transfers from other group company	-	12,082	-	8,436	20,518
Additions	3,600	930	-	3,903	8,433
Disposals	(1,227)	(16,223)	(385)	(6,310)	(24,145)
At 31 December 2022	3,600	18,802	3,410	64,047	89,859
Depreciation					
At 1 September 2021	1,159	15,327	1,833	43,847	62,166
Transfers from other group company	-	11,562	-	8,349	19,911
Charge for the period	1,068	5,360	1,165	12,347	19,940
Eliminated on disposals	(1,227)	(14,962)	(272)	(5,997)	(22,458)
At 31 December 2022	1,000	17,287	2,726	58,546	79,559
Net book value					
At 31 December 2022	2,600	1,515	684	5,501	10,300
At 31 August 2021	68	6,686	1,962	14,171	22,887

BALMORAL HOMECARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

12. DEBTORS

	31/12/22 £	31/08/21 £
Trade debtors	288,370	433,379
Amounts owed by group undertakings	871,677	621,610
Other debtors	36,487	14,571
Deferred tax	3,126	-
Prepayments and accrued income	26,958	32,063
	<u>1,226,618</u>	<u>1,101,623</u>

13. CASH AND CASH EQUIVALENTS

	31/12/22 £	31/08/21 £
Cash at bank and in hand	<u>157,229</u>	<u>745,797</u>

14. CREDITORS: Amounts falling due within one year

	31/12/22 £	31/08/21 £
Trade creditors	409,957	28,922
Amounts owed to group undertakings	1,509,497	2,442,600
Corporation tax	34,312	87,797
Other taxation and social security	72,215	109,911
Other creditors	373,048	451,408
Accruals and deferred income	380,415	915,395
	<u>2,779,444</u>	<u>4,036,033</u>

15. CREDITORS: Amounts falling due within one year

	31/12/22 £	31/08/21 £
Amounts owed to group undertakings	<u>1,017,704</u>	-
	<u>1,017,704</u>	-

BALMORAL HOMECARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

16. DEFERRED TAXATION

	31/12/22 £
At 1 September 2021	610
Charged to the profit or loss	(3,736)
At 31 December 2022	(3,126)

The deferred tax asset is made up as follows:

	31/12/22 £	31/08/21 £
Accelerated capital allowances	999	2,936
Tax losses carried forward	(4,125)	(2,326)
	(3,126)	610

17. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the company to the funds and amounted to £98,015 for the 16 month period to 31/12/22 (2021: 12 months to 31/08/21 £50,511). At 31 December 2022 £12,638 (2021 - £9,803) was payable to the pension scheme.

18. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following years:

	31/12/22 £	31/08/21 £
Not later than 1 year	57,720	38,188
Later than 1 year and not later than 5 years	69,843	97,938
	127,563	136,126

BALMORAL HOMECARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2022**

19. RELATED PARTY TRANSACTIONS

During the period, management fees of £27,401 for the 16 month period to 31/12/22 (2021: 12 months to 31/08/21 £Nil) were charged by Towerview Healthcare Group Limited, a group company. This amount was outstanding at the period end and is included in trade creditors.

20. CONTROLLING PARTY

The Company's share capital is wholly owned by Grosvenor Health and Social Care Limited (company number 13528631 formerly WPC13 Limited). Prior to 3 December 2021 the Company's share capital was wholly owned by Five Rivers Equity Limited (company number 06829537 formerly Grosvenor Health and Social Care Limited).

Grosvenor Health and Social Care Limited is ultimately owned by Obotritia Capital KGaA, a company incorporated in Germany.

This ultimate parent undertaking is both the smallest and largest group for which consolidated accounts are prepared.

Obotritia Capital KGaA
August-Bebel-Str. 68
14482 Potsdam

The Directors do not consider there to be one ultimate controlling party of the group due to the shareholding structure.