

Financial Statements Tower Bridge Homes Care Limited

For the Year Ended 31 March 2016



Registered number: 03214702

Tower Bridge Homes Care Limited

Company Information

Director	S Lakhani
Company secretary	I Lakhani
Registered number	03214702
Registered office	228 St Mary's Lane Upminster Essex RM14 3DH
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 80 Compair Crescent Ipswich Suffolk IP2 0EH

Tower Bridge Homes Care Limited

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Strategic Report

For the Year Ended 31 March 2016

The director presents his Strategic Report and the financial statements for the year ended 31st March 2016.

Principal activities

The principal activities of the company remain the ownership and operation of 6 care homes across the United Kingdom, offering either nursing or residential care.

Business review

The year to 2016 has seen significant changes in the Company in order to provide a strong platform the future growth of the business in what remains a very challenging market environment. There has been continued focus on strengthening the operations team to ensure that all homes meet a high standard.

Turnover in the year rose to £11,255,114 (2015 (8 month period): £7,460,445) generating a profit before tax of £1,399,132 (2015 (8 month period): £978,884).

The challenge has been ensuring the right quality and quantity of staff in the homes to deliver the quality standards the Company is aiming to achieve. Agency staff usage has grown and as a consequence the gross margin has come under significant pressure. It is encouraging to note that the 27% Gross Margin achieved in 2016 (2015: 29%) has only marginally decreased against 2015 despite these pressures.

The underlying strength of the Company is underpinned by its assets and the revaluation carried out during 2016 has resulted in revaluation of property and associated deferred tax of £2,673k (2015: £93k). This has resulted in the Company achieving a total comprehensive income for the year of £4,004k (2015: £1,053k).

Principal risks and uncertainties

The principal risks of the business are twofold.

Firstly fee income. A significant element of the fee income is funded by local authorities who are under increasing pressures on their own budgets. The Company has adopted an active management approach to ensure that they work closely with local authorities and the planned reorganisation in 2017 will strengthen the operations capability in this area.

Secondly, the challenge in finding good quality staff and the increasing costs of labour. The difficulty in staff recruitment results in higher usage of more expensive agency staff, and the living wage is driving up the cost of employed staff. The local authority budgets are not augmented by these increases. The Company has implemented actions in 2016 to reduce the level of agency staff in the business and to ensure higher productivity from the employees.

Tower Bridge Homes Care Limited

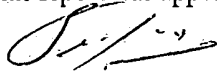
Strategic Report

For the Year Ended 31 March 2016

Financial key performance indicators

The key performance indicators used by the Directors to assess the performance of the Company are turnover, occupancy rates, staffing levels and staff costs, EBITDA and net assets. The Company has significant properties included on its balance sheets with loan finance secured on these properties. Interest rate fluctuations are a threat to the Company and the Directors closely monitor interest rate movements accordingly.

This report was approved by the board on *19 December 2016* and signed on its behalf.



S Lakhani
Director

Director's Report

For the Year Ended 31 March 2016

The director presents his report and the financial statements for the year ended 31 March 2016.

Results and dividends

The profit for the year, after taxation, amounted to £1,331,023 (2015 - £960,408).

Director

The director who served during the year was:

S Lakhani

Future developments

The Directors are confident that the Company will continue to show sustained growth and will increase profitability in future periods within a simplified Group structure.

EBITDA margin growth for the entire Company is expected to be delivered through further operational improvements and cost efficiencies being implemented across all of the homes.

Employee involvement

The company recognises the importance of employee involvement in increasing employees understanding of the organisation, utilising their talents, enabling them to influence decisions and thereby encouraging commitment to the goals of the organisation.

The company believes that such involvement will improve efficiency, quality, increase job satisfaction and encourage an environment of co-operation.

In recognition of the importance of employee involvement the company has devoted considerable time and effort to ensuring that employees are well informed about those aspects of its business which affect them.

Through such employee involvement, the success of the company will be ensured by effective team work leading to a consequential sharing of the rewards by all employees.

Disabled employees

In line with the policy on equal opportunities, the company endeavours to fulfil its responsibilities towards disabled persons. In all job functions active consideration is given to the employment of disabled persons and all such vacancies are advised to the appropriate Job Centre to assist in this matter.

Where existing employees become disabled, it is the company's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Director's Report (continued)

For the Year Ended 31 March 2016

Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Company's financial statements 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 director is 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 Company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Director's Reports may differ from legislation in other jurisdictions.

Disclosure of information to auditor

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he 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.

The directors are responsible for preparing the annual report in accordance with applicable law and regulations. The directors consider the annual report and the financial statements, taken as a whole, provides the information necessary to assess the company's performance, business model and strategy and is fair, balanced and understandable.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Tower Bridge Homes Care Limited


Director's Report (continued)

For the Year Ended 31 March 2016

Auditor

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

This report was approved by the board on 19 December 2016 and signed on its behalf.



S Lakhani
Director



Independent Auditor's Report to the Members of Tower Bridge Homes Care Limited

We have audited the financial statements of Tower Bridge Homes Care Limited for the year ended 31 March 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in 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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Director's Responsibilities Statement on page 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with those financial statements.



Independent Auditor's Report to the Members of Tower Bridge Homes Care Limited (continued)

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Ian Thoroughgood (Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Ipswich
Date:

20 Dec 2016

Statement of Comprehensive Income

For the Year Ended 31 March 2016

		Year ended 31 March 2016 £	As restated 8 months ended 31 March 2015 £
	Note		
Turnover	4	11,255,114	7,460,445
Cost of sales		(8,265,564)	(5,310,379)
Gross profit		2,989,550	2,150,066
Administrative expenses		(1,589,713)	(1,170,362)
Operating profit	5	1,399,837	979,704
Interest payable and expenses	8	(705)	(820)
Profit before tax		1,399,132	978,884
Tax on profit	9	(68,109)	(18,476)
Profit for the year		1,331,023	960,408
Other comprehensive income for the year			
Revaluation of property and associated deferred tax		2,673,187	92,512
Other comprehensive income for the year		2,673,187	92,512
Total comprehensive income for the year		4,004,210	1,052,920

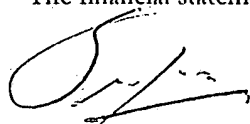
The notes on pages 11 to 25 form part of these financial statements.

Statement of Financial Position

As at 31 March 2016

	Note	£	2016 £	As restated 2015 £
Fixed assets				
Tangible assets	10		28,943,445	26,575,372
Current assets				
Debtors: amounts falling due within one year	11	3,583,774		3,855,611
Cash at bank and in hand	12	88,606		958,972
		<u>3,672,380</u>		<u>4,814,583</u>
Creditors: amounts falling due within one year	13	(7,426,677)		(10,327,202)
Net current liabilities			<u>(3,754,297)</u>	<u>(5,512,619)</u>
Total assets less current liabilities			<u>25,189,148</u>	<u>21,062,753</u>
Provisions for liabilities				
Deferred tax	15	(2,481,019)		(2,358,834)
			<u>(2,481,019)</u>	<u>(2,358,834)</u>
Net assets			<u>22,708,129</u>	<u>18,703,919</u>
Capital and reserves				
Called up share capital	16		100	100
Revaluation reserve	17		15,029,603	12,356,416
Profit and loss account	17		7,678,426	6,347,403
			<u>22,708,129</u>	<u>18,703,919</u>

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



19 December 2016

S Lakhani
Director

The notes on pages 11 to 25 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 March 2016

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2015 (as previously stated)	100	12,356,416	6,577,007	18,933,523
Prior year adjustment	-	-	(229,604)	(229,604)
At 1 April 2015 (as restated)	100	12,356,416	6,347,403	18,703,919
Comprehensive income for the year				
Profit for the year	-	-	1,331,023	1,331,023
Revaluation of freehold property	-	2,673,187	-	2,673,187
Other comprehensive income for the year	-	2,673,187	-	2,673,187
Total comprehensive income for the year	-	2,673,187	1,331,023	4,004,210
At 31 March 2016	100	15,029,603	7,678,426	22,708,129

Statement of Changes in Equity

For the Year Ended 31 March 2015

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 August 2014	100	12,263,904	5,386,995	17,650,999
Comprehensive income for the period				
Profit for the period	-	-	960,408	960,408
Deferred tax on property revaluations	-	92,512	-	92,512
Total comprehensive income for the period	-	92,512	960,408	1,052,920
At 31 March 2015	100	12,356,416	6,347,403	18,703,919

The notes on pages 11 to 25 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2016

1. General information

Tower Bridge Homes Care Limited is private company limited by shares incorporated in England and Wales. The registered office address is 228 St Mary's Lane, Upminster, Essex, RM14 3DH.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of land and buildings 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.

Information on the impact of first-time adoption of FRS 102 is given in note 23.

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 company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the company for the year ended 31 March 2016.

The company transitioned from previously extant UK GAAP to FRS 102 at 1 August 2014. The last set of financial statements prepared under previous UK GAAP was for the period ended 31 March 2015.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of The Holmes Care (Group) Limited as at 31 March 2016 and these financial statements may be obtained from Companies House.

2.3 Going concern

These financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on finance from the ultimate parent company which has confirmed that it will continue to provide financial support. As a result, the director considers it appropriate for the financial statements to be prepared on the going concern basis.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.4 Turnover

Turnover comprises revenue recognised by the company in respect of the provision of care through the operation of a nursing home during the period. Revenue is recognised based on the period for which the care has been provided.

2.5 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:

Freehold property	- 2% Straight Line
Motor vehicles	- 20% - 22% Straight Line
Fixtures and fittings	- 20% 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 the Statement of Comprehensive Income.

2.6 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

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.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.8 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.

2.9 Financial instruments

The Company only enters into basic financial instruments 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, loans to related parties and investments in non-puttable ordinary shares.

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, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

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 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

Notes to the Financial Statements

For the Year Ended 31 March 2016

2. Accounting policies (continued)

2.12 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 payments obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 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 the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a change 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 reporting 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 Statement of Financial Position 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 reporting date.

Notes to the Financial Statements

For the Year Ended 31 March 2016

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The key areas of judgement and estimation uncertainty are set out below:

Revaluation of property

The company carries its freehold property at valuation, the directors engaged an independent valuation specialist to determine the fair value of the freehold property. Freehold property is valued on an open market value basis in accordance with the requirements of FRS 102.

Bad debt provision

The company makes a provision for bad debts in the financial statements. The bad debt provision is calculated based on the nature and the ageing of the debt.

4. Turnover

The whole of the turnover is attributable to the business activity of the company.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	Year ended 31 March 2016 £	8 months ended 31 March 2015 £
Depreciation of tangible fixed assets	638,484	398,808
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	(735)	10,600
Defined contribution pension cost	24,546	18,713

During the year, no director received any emoluments (2015 - £NIL).

Notes to the Financial Statements

For the Year Ended 31 March 2016

6. Auditor's remuneration

	Year ended 31 March 2016 £	8 months ended 31 March 2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	25,657	10,600
Fees payable to the Company's auditor and its associates in respect of:		
Taxation compliance services	11,084	-

7. Employees

Staff costs were as follows:

	Year ended 31 March 2016 £	As restated 8 months ended 31 March 2015 £
Wages and salaries	5,882,246	4,092,879
Social security costs	350,983	230,218
Other pension costs	24,546	18,713
	6,257,775	4,341,810

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

Year ended 31 March 2016 No.	8 months ended 31 March 2015 No.
460	473

Notes to the Financial Statements

For the Year Ended 31 March 2016

8. Interest payable and similar charges

	Year ended 31 March 2016 £	8 months ended 31 March 2015 £
Bank interest payable	95	820
Finance leases and hire purchase contracts	610	-
	<u>705</u>	<u>820</u>

9. Taxation

	Year ended 31 March 2016 £	8 months ended 31 March 2015 £
Corporation tax		
Current tax on profits for the year	142,857	-
Adjustments in respect of previous periods	881	12,098
Deferred tax		
Deferred tax	(75,629)	6,378
Taxation on profit on ordinary activities	<u>68,109</u>	<u>18,476</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

9. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	Year ended 31 March 2016 £	8 months ended 31 March 2015 £
Profit on ordinary activities before tax	1,399,132	978,884
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	279,826	205,566
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	253	606
Differences between capital allowances and depreciation	99,647	68,558
Adjustments to tax charge in respect of prior periods	881	12,098
Adjust deferred taxation to closing tax rate	(65,217)	-
Adjustments to deferred tax relating to prior years	(18,887)	-
Group relief	(228,394)	(268,352)
Total tax charge for the year/period	68,109	18,476

Notes to the Financial Statements

For the Year Ended 31 March 2016

10. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2015	27,900,000	52,814	199,012	28,151,826
Additions	-	-	135,501	135,501
Revaluations	825,000	-	-	825,000
At 31 March 2016	<u>28,725,000</u>	<u>52,814</u>	<u>334,513</u>	<u>29,112,327</u>
Depreciation				
At 1 April 2015	1,488,000	38,514	49,940	1,576,454
Charge for period on owned assets	558,000	9,990	70,438	638,428
Eliminated on revaluation	(2,046,000)	-	-	(2,046,000)
At 31 March 2016	<u>-</u>	<u>48,504</u>	<u>120,378</u>	<u>168,882</u>
Net book value				
At 31 March 2016	<u>28,725,000</u>	<u>4,310</u>	<u>214,135</u>	<u>28,943,445</u>
At 31 March 2015	<u>26,412,000</u>	<u>14,300</u>	<u>149,072</u>	<u>26,575,372</u>

The freehold land and buildings were revalued in February 2016 by Jones Lang Lasalle, on an open market values basis, in accordance with the RICS Appraisal and Valuation Manual.

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Freehold	<u>28,725,000</u>	<u>26,412,000</u>

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2016 £	2015 £
Cost	15,093,231	15,093,231
Accumulated depreciation	(1,333,233)	(1,031,369)
Net book value	<u>13,759,998</u>	<u>14,061,862</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

11. Debtors

	2016 £	2015 £
Trade debtors	1,615,313	1,543,724
Amounts owed by group undertakings	1,815,811	2,043,784
Other debtors	230	10,139
Prepayments and accrued income	152,420	257,964
	<u>3,583,774</u>	<u>3,855,611</u>

12. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>88,606</u>	<u>958,972</u>

13. Creditors: Amounts falling due within one year

	2016 £	As restated 2015 £
Trade creditors	469,731	468,791
Amounts owed to group undertakings	6,180,397	8,521,057
Corporation tax	137,760	381,399
Taxation and social security	-	4,752
Other creditors	42,017	63,190
Accruals and deferred income	596,772	888,013
	<u>7,426,677</u>	<u>10,327,202</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

14. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	3,519,960	4,556,619
	<u>3,519,960</u>	<u>4,556,619</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(7,288,917)	(9,941,051)
Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, amounts owed by group undertakings and other debtors.		
Financial Liabilities measured at amortised cost comprise trade creditors, amounts owed to group undertakings, other creditors and accruals.		

15. Deferred taxation

	2016 £	2015 £
At beginning of year	2,358,834	2,444,968
Charged to the profit or loss	(75,628)	6,378
Charged to other comprehensive income	(197,813)	92,512
At end of year	<u>2,481,019</u>	<u>2,358,834</u>

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	594,312	662,586
Other timing differences	(7,354)	-
Capital gains	<u>1,894,061</u>	<u>1,696,248</u>

Notes to the Financial Statements

For the Year Ended 31 March 2016

16. Share capital

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

Share capital represents the nominal value of shares that have been issued. The shares carry voting rights and an entitlement to dividends.

17. Reserves

Revaluation reserve

This reserve represents the surplus or deficit arising on the revaluation of an asset.

Profit and loss account

This reserve includes all current and prior period retained profits and losses.

18. Prior year adjustment

It has been identified that as at 31 March 2015 wages and agency costs were under accrued by £229,604. This has been adjusted by way of a prior year adjustment which increases accruals and decreases the profit for the prior year by this amount.

19. Contingent liabilities

The company has guaranteed loans taken out by certain other group companies. The potential liability in respect of this guarantee is £nil (2015 - £23,092,000).

20. Pension commitments

The company operates a defined contributions 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 fund and amounted to be £24,546 (2015 - £18,713).

Contributions totalling £3,134 (2015 - £35,644) were payable to the fund at the balance sheet date and are included in creditors.

Notes to the Financial Statements

For the Year Ended 31 March 2016

21. Related party transactions

As a wholly owned subsidiary undertaking of The Holmes Care (Group) Limited, the company has taken advantage of the exception in FRS 102 Section 33 not to disclose transactions with other members of the group headed by The Holmes Care (Group) Limited, since that company produces consolidated financial statements which are available to the public and which include Tower Bridge Homes Care Limited.

22. Controlling party

The company's immediate holding company is The Holmes Care Limited, a company incorporated in England and Wales. The company's ultimate holding company is The Holmes Care (Group) Limited, a company incorporated in England and Wales. Consolidated financial statements for this company are available from Companies House.

The Holmes Care (Group) Limited is the parent undertaking of the largest and smallest group of undertakings to consolidate these financial statements.

Notes to the Financial Statements

For the Year Ended 31 March 2016

23. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 August 2014. The impact of the transition to FRS 102 is as follows:

		As previously stated 1 August 2014 £	Effect of transition 1 August 2014 £	FRS 102 (as restated) 1 August 2014 £	As previously stated 31 March 2015 £	Effect of transition 31 March 2015 £	FRS 102 (as restated) 31 March 2015 £
	Note						
Fixed assets		26,996,591	-	26,996,591	26,575,372	-	26,575,372
Current assets		8,895,480	-	8,895,480	4,814,583	-	4,814,583
Creditors: amounts falling due within one year	1	(15,696,293)	(99,811)	(15,796,104)	(10,023,026)	(304,176)	(10,327,202)
Net current liabilities		(6,800,813)	(99,811)	(6,900,624)	(5,208,443)	(304,176)	(5,512,619)
Total assets less current liabilities		20,195,778	(99,811)	20,095,967	21,366,929	(304,176)	21,062,753
Provisions for liabilities	2	(656,208)	(1,788,760)	(2,444,968)	(662,586)	(1,696,248)	(2,358,834)
Net assets		19,539,570	(1,888,571)	17,650,999	20,704,343	(2,000,424)	18,703,919
Capital and reserves	1,2	19,539,570	(1,888,571)	17,650,999	20,704,343	(2,000,424)	18,703,919

Notes to the Financial Statements

For the Year Ended 31 March 2016

23. First time adoption of FRS 102 (continued)

		As previously stated 31 March 2015	Effect of transition 31 March 2015	FRS 102 (as restated) 31 March 2015
	Note	£	£	£
Turnover		7,460,445	-	7,460,445
Cost of sales	1	(5,106,014)	(204,365)	(5,310,379)
		<u>2,354,431</u>	<u>(204,365)</u>	<u>2,150,066</u>
Administrative expenses		(1,170,362)	-	(1,170,362)
		<u>1,184,069</u>	<u>(204,365)</u>	<u>979,704</u>
Operating profit				
Interest payable and similar charges		(820)	-	(820)
Taxation		(18,476)	-	(18,476)
		<u>1,164,773</u>	<u>(204,365)</u>	<u>960,408</u>
Profit on ordinary activities after taxation and for the financial period				

Explanation of changes to previously reported profit and equity:

- 1 Under FRS 102, the company is required to accrue for the cost of employee's untaken annual leave. This adjustment also includes the impact of the prior year adjustment, see note 18 for further details.
- 2 Under FRS 102, the company is required to recognise deferred tax on unrealised capital gains in relation to freehold property held at valuation.