COMPANY REGISTRATION NUMBER 06591027

MONMORE PROPERTIES LIMITED

FINANCIAL STATEMENTS

31 MARCH 2015

PLANT & CO LIMITED

Chartered Accountants & Statutory Auditor

17 Lichfield Street

Stone

Staffordshire

ST15 8NA

MONMORE PROPERTIES LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2015

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MONMORE PROPERTIES LIMITED

STRATEGIC REPORT

YEAR ENDED 31 MARCH 2015

REVIEW OF THE GROUP'S BUSINESS

The group consists of three subsidiaries, of which one does not trade. One of the remaining subsidiaries operates nursing and residential care homes, renting the property from associated companies. During the year the company transferred its private paying residents into another group company and made a management charge to account of the costs of delivering the services to those residents. The third subsidiary purchases fixtures and fittings and then leases them to the care home operator in this group and also to other associated companies. The previous period covered 5 months due to a change is accounting reference date for all companies in the group. The group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind and the provision of training is available to all employees.

PRINCIPLE RISKS AND UNCERTAINTIES

The group operates in a highly regulated industry and therefore employs only appropriately qualified individuals. The group provides high levels of training for staff and has formal procedures in place to handle concerns raised in a comprehensive and rapid manner. The group does not have a significant credit risk as its policy is to receive fees in advance for new residents wherever possible. In 2016, the new national living wage will be introduced and this will increase overall employment costs. The directors have considered the impact of this and are satisfied that the increase can be accommodated within its existing budget forecasts. The leasing company only purchases assets that it knows will be leased to group and associated companies, so does not have exposure to credit risk.

ANALYSIS OF DEVELOPMENT AND PERFORMANCE DURING THE YEAR

Turnover for the care home company, when pro-rated, has decreased by 13%, but the turnover is stated after the transfer of private residents to another associated company. If this transfer had not taken place, turnover would have been seen to increase by 7.9%. At the year end, the number of registered beds was 856 (2014: 987). There was no reduction in the number of registered beds overall, the reduction represents the private residents that were transferred to another associated company. The percentage occupancy based on operational beds was 78.38% excluding those transferred, 81.26% including those transferred (2014: 80.24%). The group has not made any care home acquisitions during the year. On average, each home has 37 beds and the group has maintained its capital expenditure programme that ensures that our homes remain attractive and safe places to work and live. Excluding exceptional items, the care home operator made profits before taxation of £1.672m and an EBITDAR of £5.759m for the year. All care homes are operated from premises leased from another group company. The leasing company generated turnover of £227,283, a decrease of 30% on the proportional figures for 2014. During the year, the companies in the direct group and the wider group agreed to write off inter-company loan balances. The reported profits of all companies in this group have been affected by this procedure, the results from which have been identified as exceptional in the financial statements.

FINANCIAL KEY PERFORMANCE INDICATORS

The financial performance of the group is governed by the care home operating subsidiary. Directors believe that the over-riding key performance indicator for that company is that of wages and purchases compared to the company's turnover. Wages and salary costs this year represented 59% of turnover after taking into account the recharge for salaries to the group company taking over the private clients. This is an improvement from the 62% in 2014 and a return to the percentage achieved in 2013. Purchases compared to sales for the year to 31 March 2015 are 4.57% compared to 5.71% in the previous period.

Signed on behalf of the directors

Mr. G M Hartland FCCA
Director

Approved by the directors on 23 December 2015

MONMORE PROPERTIES LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2015

The directors present their report and the financial statements of the group for the year ended 31 March 2015.

FUTURE DEVELOPMENTS

The ageing population in the UK means that there will be an ever increasing need for care of the elderly and we believe that the group, with its experience and reputation of offering an excellent level of service, is well placed to continue its performance and maintain financial stability.

We do not have any plans to expand the number of care homes or the property portfolio in the foreseeable future.

Due to facilities drawing to term, the company will be looking to re-finance the borrowing on its commercial property portfolio within the short term.

PRINCIPLE RISKS AND UNCERTAINTIES

The group operates in a highly regulated industry and therefore employs only appropriately qualified individuals. The group provides high levels of training for staff and has formal procedures in place to handle concerns raised in a comprehensive and rapid manner. The group's finance requirements are met with a combination of bank and wider group funding. Interest rates remain low and do not present a significant risk to the business.

DISABLED EMPLOYEES

The company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. 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.

EMPLOYEE INVOLVEMENT

During the year, the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the company's profit sharing schemes and are encouraged to invest in the company through participation in share option schemes.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £2,260,350. The directors have not recommended a dividend.

DIRECTORS

The directors who served the company during the year were as follows:

Mr. G M Hartland FCCA
Mrs. K A Hartland ACCA

MONMORE PROPERTIES LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MARCH 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, 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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the persons who is a director at the date of approval of this report confirm that:

- so far as each director is aware, there is no relevant audit information of which the group's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Registered office:
c/o Plant and Co
17 Lichfield Street
Stone
Staffordshire
ST15 8NA

Signed on behalf of the directors

Mr. G M Hartland FCCA
Director

Approved by the directors on 23 December 2015

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MONMORE PROPERTIES LIMITED

YEAR ENDED 31 MARCH 2015

We have audited the group and parent company financial statements ("the financial statements") of Monmore Properties Limited for the year ended 31 March 2015. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders 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 Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS
In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2015 and of the group's loss 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

MONMORE PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MONMORE PROPERTIES LIMITED *(continued)*

YEAR ENDED 31 MARCH 2015

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

P J PLANT BA FCA (Senior Statutory Auditor)
For and on behalf of
PLANT & CO LIMITED
Chartered Accountants
& Statutory Auditor

17 Lichfield Street
Stone
Staffordshire
ST15 8NA

23 December 2015

MONMORE PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 MARCH 2015

	Note	Year to 31 Mar 15 £	Period to 31 Mar 2014 (Restated) £
GROUP TURNOVER	2	**18,627,216**	8,960,280
Cost of sales		**841,736**	503,846
GROSS PROFIT		**17,785,480**	8,456,434
Administrative expenses		**26,710,116**	8,672,333
Other operating income	3	**(6,806,924)**	(236,143)
OPERATING (LOSS)/PROFIT	4	**(2,117,712)**	20,244
Attributable to:			
Operating profit before exceptional items		**1,462,052**	20,244
Exceptional items	4	**(3,579,764)**	–
		(2,117,712)	20,244
Interest payable and similar charges	6	**8,797**	2,130
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		**(2,126,509)**	18,114
Tax on (loss)/profit on ordinary activities	7	**133,841**	(59,919)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR	8	**(2,260,350)**	78,033

All of the activities of the group are classed as continuing.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Profit and Loss Account.

The notes on pages 12 to 25 form part of these financial statements.

MONMORE PROPERTIES LIMITED

GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

YEAR ENDED 31 MARCH 2015

	Year to 31 Mar 15 £	Period to 31 Mar 2014 (Restated) £
(Loss)/Profit for the financial year attributable to the shareholders of the parent company	**(2,260,350)**	78,033
Total recognised gains and losses relating to the year	**(2,260,350)**	78,033
Prior year adjustment	–	(1)
Total gains and losses recognised since the last annual report	**(2,260,350)**	78,032

The notes on pages 12 to 25 form part of these financial statements.

MONMORE PROPERTIES LIMITED

GROUP BALANCE SHEET

31 MARCH 2015

	Note	2015 £	2015 £	2014 £
FIXED ASSETS				
Tangible assets	10		**1,353,013**	1,196,704
CURRENT ASSETS				
Stocks	12	**28,327**		27,897
Debtors	13	**5,142,027**		10,009,268
Cash at bank and in hand		**159,362**		21,046
		5,329,716		10,058,211
CREDITORS: Amounts falling due within one year	15	**3,534,257**		5,846,093
NET CURRENT ASSETS			**1,795,459**	4,212,118
TOTAL ASSETS LESS CURRENT LIABILITIES			**3,148,472**	5,408,822
CAPITAL AND RESERVES				
Called up equity share capital	18		**100**	100
Profit and loss account	19		**3,148,372**	5,408,722
SHAREHOLDERS' FUNDS	20		**3,148,472**	5,408,822

These accounts were approved by the directors and authorised for issue on 23 December 2015, and are signed on their behalf by:

Mr. G M Hartland FCCA
Director

Company Registration Number: 06591027

The notes on pages 12 to 25 form part of these financial statements.

MONMORE PROPERTIES LIMITED

BALANCE SHEET

31 MARCH 2015

	Note	2015 £	£	2014 £
FIXED ASSETS				
Investments	11		**201**	201
CURRENT ASSETS				
Debtors	13	–		2,418,794
Cash at bank		**164**		425
		164		2,419,219
CREDITORS: Amounts falling due within one year	15	**2,412**		37,046
NET CURRENT (LIABILITIES)/ASSETS			**(2,248)**	2,382,173
TOTAL ASSETS LESS CURRENT LIABILITIES			**(2,047)**	2,382,374
CAPITAL AND RESERVES				
Called up equity share capital	18		**100**	100
Profit and loss account	19		**(2,147)**	2,382,274
(DEFICIT)/SHAREHOLDERS' FUNDS			**(2,047)**	2,382,374

These accounts were approved by the directors and authorised for issue on 23 December 2015, and are signed on their behalf by:

Mr. G M Hartland FCCA
Director

Company Registration Number: 06591027

The notes on pages 12 to 25 form part of these financial statements.

MONMORE PROPERTIES LIMITED

GROUP CASH FLOW CASH FLOW STATEMENT

YEAR ENDED 31 MARCH 2015

	Note	Year to 31 Mar 15 £	£	Period to 31 Mar 2014 (Restated) £
NET CASH INFLOW FROM OPERATING ACTIVITIES	21		**1,025,508**	957,275
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21		**(8,797)**	(2,130)
TAXATION	21		**(14)**	18,949
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	21		**(594,821)**	(301,795)
CASH INFLOW BEFORE FINANCING			**421,876**	672,299
FINANCING	21		**79,954**	(502,123)
INCREASE IN CASH	21		**501,830**	170,176

The notes on pages 12 to 25 form part of these financial statements.

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Fixtures & Fittings	-	15% reducing balance
Motor Vehicles	-	25% reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account on a straight line basis.

1. ACCOUNTING POLICIES *(continued)*

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit and loss account. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

1. ACCOUNTING POLICIES *(continued)*

Investments classified as held-to-maturity are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the profit and loss account when the investment in derecognised, or impaired, as well as through the amortisation process.

Investments are fair valued using quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate valuation models at the balance sheet date.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoices amounts less provisions for any doubtful debts. Bad debts are written off when identified.

Interest-bearing loans and borrowings

All loans and borrowings are recognised initially at cost, which is the fair value of the consideration received, net of issue costs associated with the borrowing.

After initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains or losses are recognised in the profit and loss account when liabilities are derecognised or impaired, as well as through the amortisation process.

Derivative financial instruments

The group uses a number of derivative financial instruments such as interest rate swaps to hedge its risks associated with interest rate and currency fluctuation risk. Unless otherwise disclosed, such derivative financial instruments are always stated at their fair value.

For derivatives that do not qualify for hedge accounting (see below), any gains or losses arising from changes in fair value are taken directly to the profit and loss account.

Embedded derivatives are separated from their host contract and are recorded immediately in the profit and loss account when their economic characteristics and risks are not closely related to the host contract and the hybrid instrument itself is not measured at fair value.

2. TURNOVER

The turnover and loss before tax are attributable to the one principal activity of the group. An analysis of turnover is given below:

	Year to 31 Mar 15	Period to 31 Mar 2014 (Restated)
	£	£
United Kingdom	**18,627,216**	8,960,280

3. OTHER OPERATING INCOME

	Year to 31 Mar 15	Period to 31 Mar 2014 (Restated)
	£	£
Rent receivable	–	3,750
Management charges receivable	**6,799,603**	230,000
Other operating income	**7,321**	2,393
	6,806,924	236,143

4. OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	Year to 31 Mar 15	Period to 31 Mar 2014 (Restated)
	£	£
Depreciation of owned fixed assets	**438,512**	139,154
Auditor's remuneration		
- as auditor	**21,414**	9,660
- for other services	**2,000**	–
Operating lease costs:		
- Other	**4,086,567**	1,130,478
Exceptional write off of group and associated company loans	**3,526,114**	–
Exceptional legal fees re bank litigation	**53,650**	–

5. PARTICULARS OF EMPLOYEES

The aggregate payroll costs of the above were:

	Year to 31 Mar 15 £	Period to 31 Mar 2014 (Restated) £
Wages and salaries	**12,685,866**	5,252,860
Social security costs	**754,740**	226,847
Other pension costs	**34,845**	15,795
	13,475,451	5,495,502

The directors did not receive any remuneration during the year (2014 - £nil).

6. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 Mar 15 £	Period to 31 Mar 2014 (Restated) £
Interest payable on bank borrowing	**8,797**	2,130

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	Year to 31 Mar 15 £	Period to 31 Mar 2014 (Restated) £
Current tax:		
UK Corporation tax based on the results for the year at 21% (2014 - 23%)	**24,587**	-
(Over)/under provision in prior year	**-**	(47,721)
Total current tax	**24,587**	(47,721)
Deferred tax:		
Origination and reversal of timing differences	**109,254**	(12,198)
Tax on (loss)/profit on ordinary activities	**133,841**	(59,919)

7. TAXATION ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 21% (2014 - 23%).

	Year to 31 Mar 15 £	Period to 31 Mar 2014 (Restated) £
(Loss)/profit on ordinary activities before taxation	**(2,126,509)**	18,114
(Loss)/profit on ordinary activities by rate of tax	**(446,567)**	4,166
Expenses not deductible for tax purposes	**740,481**	(342)
Capital allowances for period in excess of depreciation	**(84,467)**	(25,212)
Adjustments to tax charge in respect of previous periods	**-**	(47,721)
Group tax losses surrendered	**(184,863)**	21,388
Total current tax (note 7(a))	**24,584**	(47,721)

(c) Factors that may affect future tax charges

Save for otherwise disclosed, there are no known factors affecting future tax charges.

8. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £(2,384,421) (2014 - £(599)).

9. RESTATEMENT OF COMPARATIVE FIGURES

The comparative figures have been restated to include the Highfield Property Associates Limited as a group company. This was excluded last year in error.

10. TANGIBLE ASSETS

Group	Fixtures & Fittings	Motor Vehicles	Total
	£	£	£
COST			
At 1 April 2014	**1,857,546**	**49,701**	**1,907,247**
Additions	**557,346**	**37,475**	**594,821**
At 31 March 2015	**2,414,892**	**87,176**	**2,502,068**
DEPRECIATION			
At 1 April 2014	**701,683**	**8,860**	**710,543**
Charge for the year	**428,303**	**10,209**	**438,512**
At 31 March 2015	**1,129,986**	**19,069**	**1,149,055**
NET BOOK VALUE			
At 31 March 2015	**1,284,906**	**68,107**	**1,353,013**
At 31 March 2014	1,155,863	40,841	1,196,704

The above assets are let to other companies within the group and associated companies under operating leases.

11. INVESTMENTS

Company	Group companies
	£
COST	
At 1 April 2014 and 31 March 2015	**201**
NET BOOK VALUE	
At 31 March 2015 and 31 March 2014	**201**

12. STOCKS

	Group 2015	Group 2014	Company 2015	Company 2014
	£	£	£	£
Stock	**28,327**	27,897	**–**	–

Stocks are balances of consumables and fuel held by the care homes as at the year end.

13. DEBTORS

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Trade debtors	**1,265,352**	1,007,141	–	–
Amounts owed by group undertakings	**3,501,000**	8,425,580	–	2,385,006
VAT recoverable	**14,137**	62,785	–	–
Other debtors	**28,234**	42,398	–	33,788
Deferred taxation (Note 14)	**47,290**	156,544	–	–
Prepayments and accrued income	**286,014**	314,820	–	–
	5,142,027	10,009,268	–	2,418,794

14. DEFERRED TAXATION

The movement in the deferred taxation asset during the year was:

	Group		Company	
	Year to 31 Mar 15	Period to 31 Mar 2014 (Restated)	**Year to 31 Mar 15**	Period to 31 Mar 2014 (Restated)
	£	£	**£**	£
Asset brought forward	**156,544**	163,296	-	-
Decrease in asset	**(109,254)**	(6,752)	-	-
Asset carried forward	**47,290**	156,544	-	-

The group's asset for deferred taxation consists of the tax effect of timing differences in respect of:

Group	**2015**		2014	
	Provided	**Unprovided**	Provided	Unprovided
	£	**£**	£	£
Excess of depreciation over taxation allowances	**47,290**	-	156,544	-

15. CREDITORS: Amounts falling due within one year

	Group		Company	
	2015	2014	**2015**	2014
	£	£	**£**	£
Overdrafts	–	363,514	–	–
Trade creditors	**1,225,125**	820,384	–	–
Amounts owed to group undertakings	–	2,407,072	–	33,119
Other creditors including taxation and social security:				
Corporation tax	**55,466**	30,893	–	–
Other taxation and social security	**402,476**	197,506	**512**	1,292
Other creditors	–	399,972	–	–
Other creditors	**697,891**	617,937	–	–
Accruals and deferred income	**1,153,299**	1,008,815	**1,900**	2,635
	3,534,257	5,846,093	**2,412**	37,046

16. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;
(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and
(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations. Transactions in financial instruments result in the group assuming or transferring to another party one or more of the financial risks described below.

Credit risk
The group monitors credit risk closely and considers that it's current policies of credit checks meets its objectives of managing exposure to credit risk. The group has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments. The group does not have a significant credit risk as its policy is to receive fees in advance for new residents wherever possible.

Currency risk
The group does not have any exposure to currency risk.

17. RELATED PARTY TRANSACTIONS

The company was under the control of Mr G M Hartland FCCA and Mrs. K A Hartland FCCA throughout the current and previous period.

The company is associated with other companies through the common directorship and control of Mr G M Hartland FCCA and Mrs. K A Hartland FCCA.

As at the year end, the following balances were due (to) / from associated companies:

	March 2015 £	March 2014 £
Park Stores (Colombrie) Limited	-	4,040,892
Graiseley Properties Limited	-	(314,528)
Maison Gorey (1989) Limited	-	72,610
ACH Limited	-	850
Bishop Wood House Land Limited	-	7,067
Bilbrook Limited	-	1,726,606
Wingate Associates Limited	-	231,811
St Philips Care Trinity Limited	-	1,616,112
Mont Millais Limited	-	140,000
Incarnadine Limited	-	169,969
Highfield Property Associates Limited	-	73,604
Graiseley Investments Limited	-	(309,720)
Market Drayton Properties Limited	-	58,795
Sitepride Limited	-	63,647
Ashton Lodge Limited	-	156
Bon Air Nursing Home Limited	-	13,253
Talana Apartments Limited	-	117
Midvale Apartments Limited	-	1,447
Port Haverigg Associates Limited	-	72,120
Strathgarve Estates Limited	-	6,916
Country Club Apartments Limited	-	(2,614)

The inter-company loans are covered by an agreement which gives the lending company the automatic right of set off for any loan amount against amounts owed to it by other group companies and also enables the debt to be assigned to other group companies, if agreed by all parties.

In accordance with group policy and consistent with previous years, save for otherwise disclosed, no interest is charged to or by the company on other loans from or to other group companies.

During the year, companies within the group surrendered corporation tax losses to other group companies for no consideration.

Some professional fees in relation to the preparation of the financial information relating to group companies were borne and paid for by another group company.

18. SHARE CAPITAL

Allotted, called up and fully paid:

	2015		2014	
	No	**£**	No	£
Ordinary shares of £1 each	**100**	**100**	100	100

19. RESERVES

Group	**Profit and loss account**
	£
Balance brought forward	**5,408,722**
Loss for the year	**(2,260,350)**
Balance carried forward	**3,148,372**

Company	**Profit and loss account**
	£
Balance brought forward	**2,382,274**
Loss for the year	**(2,384,421)**
Balance carried forward	**(2,147)**

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015	2014
	£	£
(Loss)/Profit for the financial year	**(2,260,350)**	78,033
Less capitalised from reserves	–	(531,587)
Net reduction to shareholders' funds	**(2,260,350)**	(453,554)
Opening shareholders' funds	**5,408,822**	5,862,377
Prior year adjustment	–	(1)
Closing shareholders' funds	**3,148,472**	5,408,822

21. NOTES TO THE CASH FLOW STATEMENT

RECONCILIATION OF OPERATING (LOSS)/PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Year to 31 Mar 15 £	Period to 31 Mar 2014 (Restated) £
Operating (loss)/profit	**(2,117,712)**	20,244
Depreciation	**438,512**	139,154
(Increase)/decrease in stocks	**(430)**	22,103
Decrease/(increase) in debtors	**4,757,987**	(2,344,377)
(Decrease)/increase in creditors	**(2,052,849)**	3,120,151
Net cash inflow from operating activities	**1,025,508**	957,275

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	Year to 31 Mar 15 £	Period to 31 Mar 2014 (Restated) £
Interest paid	**(8,797)**	(2,130)
Net cash outflow from returns on investments and servicing of finance	**(8,797)**	(2,130)

TAXATION

	Year to 31 Mar 15 £	Period to 31 Mar 2014 (Restated) £
Taxation	**(14)**	18,949

21. NOTES TO THE CASH FLOW STATEMENT *(continued)*

CAPITAL EXPENDITURE

	Year to 31 Mar 15	Period to 31 Mar 2014 (Restated)
	£	£
Payments to acquire tangible fixed assets	(594,821)	(301,795)
Net cash outflow from capital expenditure	(594,821)	(301,795)

FINANCING

	Year to 31 Mar 15	Period to 31 Mar 2014 (Restated)
	£	£
Issue of equity share capital	–	(531,587)
Net inflow from other short-term creditors	79,954	29,464
Net cash inflow/(outflow) from financing	79,954	(502,123)

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2015		2014
	£	£	£
Increase in cash in the period	501,830		170,176
Net (inflow) from other short-term creditors	(79,954)		(29,464)
		421,876	140,712
Change in net funds		421,876	140,712
Net debt at 1 April 2014		(960,405)	(1,101,117)
Net funds at 31 March 2015		(538,529)	(960,405)

21. NOTES TO THE CASH FLOW STATEMENT *(continued)*

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2014	Cash flows	At 31 Mar 2015
	£	£	£
Net cash:			
Cash in hand and at bank	21,046	138,316	159,362
Overdrafts	(363,514)	363,514	–
	(342,468)	501,830	159,362
Debt:			
Debt due within 1 year	(617,937)	(79,954)	(697,891)
Net funds	(960,405)	421,876	(538,529)

22. POST BALANCE SHEET EVENTS

Since the year end, the group has been restructured to facilitate the refinance of its bank funding. This has involved the company in that its subsidiaries have been transferred to its holding company. Save for the above, there were no material events up to 23 December 2015, the date of approval of the financial statements by the Board.

23. ULTIMATE PARENT COMPANY

The parent company is Bilbrook Limited, a company registered in Jersey, Channel Islands.

Bilbrook Limited is owned by The Bilbrook Trust, a trust based in Jersey, Channel Islands.