

Consolidated Financial Statements Balhousie Holdings Limited

For the Year Ended 30 September 2017

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16/06/2018
COMPANIES HOUSE

Registered number: SC278485

Company Information

Directors

Mr A R Banks
Mr D H Burke
Ms M G Keogh
Mr M H Reid (resigned 18 January 2018)
Mr P R Kelly
Ms L Barnett (resigned 16 January 2018)

Registered number

SC278485

Registered office

Earn House
Lamberkine Drive
Perth
PH1 1RA

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
110 Queen Street
Level 8
Glasgow
G1 3BX

Bankers

Coutts
440 Strand
London
WC2R 0QS

Triodos Bank NV
Deanery Road
Bristol
BS1 5AS

Solicitors

Brodies LLP
110 Queen Street
Glasgow
G1 3BX

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Group Strategic Report

For the Year Ended 30 September 2017

Introduction

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Principal activity

The principal activity of the company is the provision of care services including personal care for frail, elderly, nursing care, dementia care, learning disability support, mental health care, support and care for physically disabled adults, palliative care and Huntington's care.

Key performance indicators

The Group has assessed their key performance indicators as:

- Occupancy %
- Care Quality Grades
- EBITDA % of Turnover
- Wages & Salaries % of Income
- Staff Turnover

Results

The results for the period are shown on page 10. The Group recorded a profit before tax of £3,687,000 (2016: £1,625,000 profit) and the directors are satisfied with the results for the period given prevailing market conditions. A more detailed analysis of the performance of the Group is provided in the Business Review below.

Business review

The Group has implemented a new person-centred strategic approach for staff and residents called 'Together We're Great'. The results demonstrate continued improvement in performance across the Group and further strengthened its Executive Team with the appointment of a Chief Executive Officer in May 2017. The Group has experienced a 3% average increase in occupancy from 2016 contributing to a 11% increase in Turnover.

As reported in prior periods, the sale of a property between Faskally Care Home Limited and Balhousie Care Limited in 2013 resulted in a claim by HMRC in connection with VAT deemed to be over recovered on the sale of the Huntly Care Home property. In May 2016, the First Tier Tribunal found in favour of the Group in connection with the claim of £825,800 and HMRC appealed the ruling to the Second Tier Tribunal which was held on 24 April 2017 and found in favour of HMRC as described in Note 25 to the Accounts. The Group has decided to appeal against the ruling to the Court of Session and this is expected to be heard in 2018.

Refinancing

The Group refinanced its bank facilities with Coutts and Triodos Bank NV in August 2017. A 5 year term loan facility of £34,600,000 has been agreed with Coutts and a 20 year term loan facility of £14,400,000 has been agreed with Triodos Bank NV.

Group Strategic Report (continued)

For the Year Ended 30 September 2017

Principal risk and uncertainties

The main risks associated with the Group's financial assets and liabilities are set out below:-

The Group is primarily financed by bank borrowing and therefore is exposed to interest rate fluctuations and liquidity risk. The Group aims to mitigate liquidity risk by managing cash generated by its operations, and reviews the risk of interest rate fluctuations with input from external interest rate advisors.

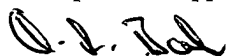
Credit risk is managed by invoicing in advance whenever possible to private residents and ensuring that all sales invoices are raised timeously. Appropriate credit control procedures are followed for all operations. Credit risk is also reduced by being in the advantageous position of having a significant level of income generated through local government across a variety of local authorities.

Operational risk is managed by care home managers and the Group's Operational Support Team. This is monitored internally by management and externally by regular unannounced inspections by the Care Inspectorate. The Care Inspectorate will inspect the homes and provide feedback on any potential areas for improvement which is then implemented by the Group's Operations Director.

Corporate Governance

The Group operates Care Governance and Audit & Remuneration Committees that provide oversight on key care quality, remuneration and audit issues impacting on the business. These committees meet on a regular basis and are chaired independently by non-executive directors.

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



Mr A R Banks

Director

Date: 29 May 2018

Directors' Report

For the Year Ended 30 September 2017

The directors present their report and the financial statements for the year ended 30 September 2017.

Results and dividends

The profit for the year, after taxation, amounted to £3,494k (2016: £2,155k).

Directors

The directors who served during the year were:

Mr A R Banks
Mr D H Burke
Ms M G Keogh
Mr M H Reid (resigned 18 January 2018)
Mr P R Kelly
Ms L Barnett (resigned 16 January 2018)

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 laws, 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 the Group and of the profit or loss of the Company and Group for that period.

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

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

Directors' Report (continued)

For the Year Ended 30 September 2017

Future developments

The Group is undertaking a comprehensive strategic review in 2018 that will be followed by a program of investment across its estate.

Environmental matters

The Group recognises the importance of its environmental responsibilities and monitors its impact on the environment by implementing any policies necessary to reduce any damage that might be caused by the Group's activities.

The Group recognises the importance and implications of the Health & Safety at Work Act 1974, the Environmental Protection Legislation and all new Health & Safety legislation including that being introduced through EU directives.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Group continues and that appropriate training is arranged. It is the policy of the Group and the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Employee involvement

The Group places strong emphasis in ensuring the wellbeing of our employees and looks to share and communicate information to our staff using all possible means. This involves a regular in house magazine, staff meetings as well as monthly managers' meetings and is designed to ensure the all staff are kept reasonably informed on all company matters. Employee surveys are regularly carried out to monitor satisfaction in the workplace and receive feedback from staff.

Post balance sheet events

In relation to the banking agreement, the company arranged the drawdown of an additional £9.1million under the Coutts bank facility to finance the purchase of Medicx Health (Five) Limited, a company that owned three care home properties operated by Balhousie Care Limited.

Directors' Report (continued)

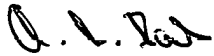
For the Year Ended 30 September 2017

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

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



Mr A R Banks

Director

Date: 29 May 2018

Independent Auditor's Report to the Members of Balhousie Holdings Limited

Opinion

We have audited the financial statements of Balhousie Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2017, which comprise the Group Statement of comprehensive income, the Group and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statements of changes in equity and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 30 September 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the parent 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.

Who we are reporting to

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.

Independent Auditor's Report to the Members of Balhousie Holdings Limited (continued)

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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

Independent Auditor's Report to the Members of Balhousie Holdings Limited (continued)

Matters on which we are required to report by the Companies Act 2006

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

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent Auditor's Report to the Members of Balhousie Holdings Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

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



James Chadwick
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Chartered Accountants, Statutory Auditor
Glasgow

30 May 2018

Consolidated Statement of Comprehensive Income

For the Year Ended 30 September 2017

	Note	2017 £000	2016 £000
Turnover	4	36,838	33,091
Cost of sales		(21,929)	(20,823)
Gross profit		14,909	12,268
Administrative expenses		(8,693)	(7,427)
Fair value movements		706	151
Operating profit	5	6,922	4,992
Interest receivable and similar income	9	72	4
Interest payable and expenses	10	(3,307)	(3,371)
Profit before taxation		3,687	1,625
Tax on profit	11	(193)	530
Profit for the financial year		3,494	2,155
Unrealised surplus on revaluation of tangible fixed assets		3,173	5,951
Deferred tax on revaluations		(447)	(339)
Other comprehensive income for the year		2,726	5,612
Total comprehensive income for the year		6,220	7,767
Profit for the year attributable to:			
Owners of the parent Company		3,494	2,155
		3,494	2,155

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.

The notes on pages 17 to 39 form part of these financial statements.

Consolidated Statement of Financial Position

As at 30 September 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Tangible assets	12		64,305		60,842
			<u>64,305</u>		<u>60,842</u>
Current assets					
Stocks	14	37		37	
Debtors: amounts falling due within one year	15	4,224		2,955	
Cash at bank and in hand	16	4,378		2,050	
		<u>8,639</u>		<u>5,042</u>	
Creditors: amounts falling due within one year	17	(7,434)		(6,968)	
Net current assets/(liabilities)			<u>1,205</u>		<u>(1,926)</u>
Total assets less current liabilities			<u>65,510</u>		<u>58,916</u>
Creditors: amounts falling due after more than one year	18		(37,808)		(37,872)
Provisions for liabilities					
Deferred taxation	21	(3,584)		(3,146)	
			<u>(3,584)</u>		<u>(3,146)</u>
Net assets			<u>24,118</u>		<u>17,898</u>
Capital and reserves					
Called up share capital	22		1		1
Revaluation reserve	23		20,900		18,174
Profit and loss account	23		3,217		(277)
Equity attributable to owners of the parent Company			<u>24,118</u>		<u>17,898</u>
			<u>24,118</u>		<u>17,898</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 May 2018.



Mr A R Banks
Director

The notes on pages 17 to 39 form part of these financial statements.

Company Statement of Financial Position

As at 30 September 2017

	Note	2017 £000	2017 £000	2016 £000	2016 £000
Fixed assets					
Tangible assets	12		695		2,517
Investments	13		5,058		5,058
			<u>5,753</u>		<u>7,575</u>
Current assets					
Debtors: amounts falling due within one year	15	931		26,795	
Cash at bank and in hand	16	1,861		656	
		<u>2,792</u>		<u>27,451</u>	
Creditors: amounts falling due within one year	17	(6,033)		(4,041)	
Net current (liabilities)/assets			<u>(3,241)</u>		<u>23,410</u>
Total assets less current liabilities			<u>2,512</u>		<u>30,985</u>
Creditors: amounts falling due after more than one year	18		-		(37,872)
Provisions for liabilities					
Deferred taxation	21	-		(155)	
			<u>-</u>		<u>(155)</u>
Net assets/(liabilities)			<u>2,512</u>		<u>(7,042)</u>
Capital and reserves					
Called up share capital	22		1		1
Revaluation reserve	23		-		924
Profit and loss account brought forward		(7,967)		(4,400)	
Profit/(loss) for the year		8,278		(3,567)	
Profit and loss account carried forward			<u>2,511</u>		<u>(7,967)</u>
			<u>2,512</u>		<u>(7,042)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 May 2018.



Mr A R Banks

Director

The notes on pages 17 to 39 form part of these financial statements.

Consolidated Statement of Changes in Equity

For the Year Ended 30 September 2017

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 October 2016	1	18,174	(277)	17,898
Comprehensive income for the year				
Profit for the year	-	-	3,494	3,494
Surplus on revaluation of leasehold property	-	3,173	-	3,173
Deferred tax on revaluations	-	(447)	-	(447)
Total comprehensive income for the year	-	2,726	3,494	6,220
At 30 September 2017	1	20,900	3,217	24,118

Consolidated Statement of Changes in Equity

For the Year Ended 30 September 2016

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 October 2015	1	12,562	(2,432)	10,131
Comprehensive income for the year				
Profit for the year	-	-	2,155	2,155
Surplus on revaluation of freehold property	-	5,951	-	5,951
Deferred tax on revaluations	-	(339)	-	(339)
Total comprehensive income for the year	-	5,612	2,155	7,767
At 30 September 2016	1	18,174	(277)	17,898

The notes on pages 17 to 39 form part of these financial statements.

Company Statement of Changes in Equity

For the Year Ended 30 September 2017

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 October 2016 (as previously stated)	1	924	(8,988)	(8,063)
Prior year adjustment	-	-	1,021	1,021
At 1 October 2016 (as restated)	1	924	(7,967)	(7,042)
Comprehensive income for the year				
Profit for the year	-	-	9,377	9,377
Deferred tax on revaluations	-	-	176	176
Total comprehensive income for the year	-	-	9,553	9,553
Transfer of realised income for the year	-	(924)	924	-
At 30 September 2017	1	-	2,510	2,511

Company Statement of Changes in Equity

For the Year Ended 30 September 2016

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 October 2015	1	509	(4,400)	(3,890)
Comprehensive income for the year				
Loss for the year	-	-	(3,567)	(3,567)
Surplus on revaluation of freehold property	-	504	-	504
Deferred tax on revaluations	-	(89)	-	(89)
Total comprehensive income for the year	-	415	(3,567)	(3,152)
Total transactions with owners	-	-	-	-
At 30 September 2016	1	924	(7,967)	(7,042)

The notes on pages 17 to 39 form part of these financial statements.

Consolidated Statement of Cash Flows

For the Year Ended 30 September 2017

	2017 £000	2016 £000
Cash flows from operating activities		
Profit for the financial year	3,494	2,155
Adjustments for:		
Depreciation of tangible assets	739	773
Property impairment	-	98
Loss on disposal of tangible assets	3	112
Interest paid	3,307	3,371
Interest received	(72)	(4)
Taxation charge	193	(530)
Decrease in stocks	-	2
(Increase)/decrease in debtors	(1,080)	564
Decrease in amounts owed by participating interests	(2)	(93)
Increase in creditors	262	348
Net fair value (gains) recognised in P&L	(705)	(151)
Corporation tax (paid)/received	(255)	-
Net cash generated from operating activities	5,884	6,645
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,143)	(953)
Sale of tangible fixed assets	111	1,063
Interest received	72	4
Net cash from investing activities	(960)	114

Consolidated Statement of Cash Flows (continued)

For the Year Ended 30 September 2017

	2017 £000	2016 £000
Cash flows from financing activities		
New secured loans	39,900	-
Repayment of loans	(38,698)	(1,006)
Interest paid	(2,911)	(3,371)
Financing costs	(887)	-
Net cash used in financing activities	(2,596)	(4,377)
Net increase in cash and cash equivalents	2,328	2,382
Cash and cash equivalents at beginning of year	2,050	(332)
Cash and cash equivalents at the end of year	4,378	2,050
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,378	2,050
	4,378	2,050

The notes on pages 17 to 39 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 September 2017

1. General information

Balhousie Holdings Limited is a private company limited by shares and incorporated in Scotland. Its registered office is Earn House, Lamberkine Drive, Perth, PH1 1RA.

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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

Parent company disclosure exemption

The parent company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Statement of Comprehensive Income in these financial statements.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the period has been presented as the reconciliations for the group and the parent company would be identical;
- No Statement of cash flows has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Notes to the Financial Statements

For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis, which assumes that the company will have sufficient resources to enable it to continue in business for the foreseeable future. In reaching this conclusion the director has reviewed future projections of the trading group. These forecasts show that the company and Group will be able to operate within the existing covenanted resources available to it, for a period of not less than 12 months from the date of approving these financial statements.

2.4 Revenue

Revenue represents fee income receivable from care services provided. Revenue is recognised in the year in which the Group obtains the right to consideration as the services provided under contracts have been delivered and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of the Creditors due within one year. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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:

Long-term leasehold property	- straight line over the term of the lease
Motor vehicles	- 12.5% straight line, 20% - 25% reducing balance
Fixtures and fittings	- 12.5%-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 the Consolidated statement of comprehensive income.

No depreciation is provided on freehold property in the current or prior year. The directors consider that this accounting policy, which represents a departure from the statutory accounting rules is necessary to provide a true and fair view as permitted under FRS 102.

The Group has a policy and practice of regular maintenance and repairs (charges for which are recognised in the profit and loss account) such that the freehold property is kept to its previously assessed standards of performance. As a result the property maintains a high residual value and any depreciation is not considered material.

Notes to the Financial Statements

For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.6 Revaluation of tangible fixed assets

Individual freehold properties are carried 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 Consolidated 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 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at cost. Cost is based on the cost of purchase on a first in, first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced. The impairment loss is recognised immediately in profit or loss to its recoverable amount.

2.9 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.

2.10 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Notes to the Financial Statements

For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.11 Financial instruments

The Group 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 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Consolidated 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 Group 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.

2.12 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.

2.13 Finance costs

Finance costs are charged to the Consolidated 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 30 September 2017

2. Accounting policies (continued)

2.14 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 October 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.16 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Consolidated 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 Group in independently administered funds.

2.17 Interest income

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

2.18 Borrowing costs

All borrowing costs are recognised in the Consolidated statement of comprehensive income in the year in which they are incurred.

Notes to the Financial Statements

For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Consolidated statement of comprehensive income in the year that the Group 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.

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated statement of comprehensive income, 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 reporting date in the countries where the Company and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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 30 September 2017

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

Tangible Fixed Assets (see note 12)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment, if required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash generating unit, the viability and expected future performance of that unit.

Recoverability of debtors

Bad debts are provided where, in the opinion of the directors, there is objective evidence of the need for a provision.

4. Turnover

The whole of the turnover and profit before taxation relates to continuing activities and is attributable to the provision of care facilities for the elderly and infirm.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017	2016
	£000	£000
Depreciation of tangible fixed assets	737	773
Operating lease rentals:		
- other operating leases	134	130
- property rent	2,558	2,501
	<u>2,558</u>	<u>2,501</u>

Notes to the Financial Statements

For the Year Ended 30 September 2017

6. Auditor's remuneration

	2017 £000	2016 £000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	42	37
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries of the company	5	5
Taxation compliance services	15	16
All taxation advisory services	37	92
All other non-audit services	48	5
	105	118

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Wages and salaries	20,026	17,569	-	-
Social security costs	1,164	1,272	-	-
Cost of defined contribution scheme	132	182	-	-
	21,322	19,023	-	-

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

	2017 No.	2016 No.
Care home employees	1,274	1,195
Directors and administration	60	55
	1,334	1,250

Notes to the Financial Statements

For the Year Ended 30 September 2017

8. Directors' remuneration

	2017 £000	2016 £000
Directors' emoluments	312	294
Directors' pension contributions	2	3
	<u>314</u>	<u>297</u>

During the year retirement benefits were accruing to two directors (2016:2) in respect of defined contribution pension schemes.

9. Interest receivable

	2017 £000	2016 £000
Other interest receivable	<u>72</u>	<u>4</u>

10. Interest payable and similar charges

	2017 £000	2016 £000
Bank interest payable	3,290	3,355
Other loan interest payable - loan from director	17	16
	<u>3,307</u>	<u>3,371</u>

Notes to the Financial Statements

For the Year Ended 30 September 2017

11. Taxation

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the year	244	223
Adjustments in respect of previous periods	(41)	-
	<u>203</u>	<u>223</u>
Total current tax	<u>203</u>	<u>223</u>
Deferred tax		
Origination and reversal of timing differences	(31)	(573)
Changes to tax rates	-	(180)
Adjustment in respect of previous period	21	-
Total deferred tax	<u>(10)</u>	<u>(753)</u>
Taxation on profit/(loss) on ordinary activities	<u>193</u>	<u>(530)</u>

Notes to the Financial Statements

For the Year Ended 30 September 2017

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.5% (2016: 20%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	3,687	1,625
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2016: 20%)	719	325
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8	13
Rate changes	11	(60)
Adjustments to corporation tax charge in respect of prior periods	(41)	-
Non-taxable income	(570)	(6)
Adjustments to deferred tax charge in respect of prior periods	21	-
Deferred tax not recognised	45	3
Impact of revaluation of freehold property	-	45
Deferred tax not previously recognised on losses	-	(850)
Total tax charge for the year	193	(530)

The aggregate current and deferred tax relating to items that are recognised as items of other comprehensive income is £447k and 2016: £339k.

Factors that may affect future tax charges

A number of changes to the UK Corporation tax system were announced in the March 2015 Budget Statement, and substantively enacted as part of the Finance Act (No.2) 2015 on 26 October 2015, with the main rate of corporation tax reduced from 20% to 19% from 1 April 2017 and from 19% to 18% from 1 April 2020. The Finance Act 2016, substantively enacted on 15 September 2016, further reduced the corporation tax rate to 17% from 1 April 2020 and the recognised deferred tax balances have been re-measured to 17%.

Notes to the Financial Statements

For the Year Ended 30 September 2017

12. Tangible fixed assets

Group

	Freehold property £000	Long-term leasehold property £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 October 2016	57,948	297	61	7,212	65,518
Additions	41	39	-	1,063	1,143
Disposals	(98)	-	-	(132)	(230)
Revaluations	3,173	-	-	-	3,173
At 30 September 2017	<u>61,064</u>	<u>336</u>	<u>61</u>	<u>8,143</u>	<u>69,604</u>
Depreciation					
At 1 October 2016	-	44	54	4,578	4,676
Charge for the year on owned assets	-	16	3	720	739
Disposals	-	-	-	(116)	(116)
At 30 September 2017	<u>-</u>	<u>60</u>	<u>57</u>	<u>5,182</u>	<u>5,299</u>
Net book value					
At 30 September 2017	<u>61,064</u>	<u>276</u>	<u>4</u>	<u>2,961</u>	<u>64,305</u>
At 30 September 2016	<u>57,948</u>	<u>253</u>	<u>6</u>	<u>2,635</u>	<u>60,842</u>

The directors have reviewed the freehold property, leasehold property improvements and assets under construction valuations based on information provided by Jones Lang Lasalle (members of the Royal Institute of Chartered Surveyors) in August 2017. These changes have been incorporated into these accounts.

Notes to the Financial Statements

For the Year Ended 30 September 2017

12. Tangible fixed assets (continued)

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

	2017 £000	2016 £000
Freehold	61,063	57,948
Long leasehold	276	253
	<u>61,339</u>	<u>58,201</u>

Cost or valuation at 30 September 2017 is as follows:

	Land and buildings £000
At cost	37,975
At valuation: May 2014, November 2016 and August 2017	<u>23,424</u>
	<u>61,399</u>

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

	2017 £000	2016 £000
Group		
Cost	37,975	38,129
Accumulated depreciation	(66)	(44)
Net book value	<u>37,909</u>	<u>38,085</u>

Notes to the Financial Statements

For the Year Ended 30 September 2017

12. Tangible fixed assets (continued)

Company

	Freehold property £000	Leasehold property improvements £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 October 2016	2,050	185	17	1,055	3,307
Additions	-	-	-	68	68
Transfers intra group	(1,750)	-	-	-	(1,750)
At 30 September 2017	<u>300</u>	<u>185</u>	<u>17</u>	<u>1,123</u>	<u>1,625</u>
Depreciation					
At 1 October 2016	-	27	15	748	790
Charge for the year on owned assets	-	16	1	123	140
At 30 September 2017	<u>-</u>	<u>43</u>	<u>16</u>	<u>871</u>	<u>930</u>
Net book value					
At 30 September 2017	<u>300</u>	<u>142</u>	<u>1</u>	<u>252</u>	<u>695</u>
At 30 September 2016	<u>2,050</u>	<u>158</u>	<u>2</u>	<u>307</u>	<u>2,517</u>

The directors have reviewed the freehold property, leasehold property improvements and assets under construction valuations based on information provided by Jones Lang Lasalle (members of the Royal Institute of Chartered Surveyors) on August 2017. These changes have been incorporated into these accounts.

Notes to the Financial Statements

For the Year Ended 30 September 2017

12. Tangible fixed assets (continued)

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

	2017 £000	2016 £000
Freehold	300	2,050
Long leasehold	143	158
	<u>443</u>	<u>2,208</u>

Cost or valuation at 30 September 2017 is as follows:

	Land and buildings £000
At cost	311
At valuation: May 2014 and November 2016	174
	<u>485</u>

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

	2017 £000	2016 £000
Group		
Cost	496	1,322
Accumulated depreciation	(43)	(27)
Net book value	<u>453</u>	<u>1,295</u>

Notes to the Financial Statements

For the Year Ended 30 September 2017

13. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Advanced Specialist Care Limited	Ordinary	100 %	Care home
Balhousie Care Limited	Ordinary	100 %	Care home
Dalnaglar Care Homes Limited	Ordinary	100 %	Care home
Faskally Care Homes Limited	Ordinary	100 %	Property developer

Company

Investments
in subsidiary
companies
£000

Cost or valuation

At 1 October 2016	5,058
At 30 September 2017	5,058

Net book value

At 30 September 2017	5,058
At 30 September 2016	5,058

Notes to the Financial Statements

For the Year Ended 30 September 2017

14. Stocks

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Care home consumables	37	37	-	-

Consumables recognised in cost of sales during the year as an expense was £1,162,040 (2016: £1,132,123).

15. Debtors

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company As restated 2016 £000
Trade debtors	1,635	1,135	166	274
Amounts owed by group undertakings	-	-	244	26,023
Amounts owed by related parties	289	333	289	266
Other debtors	404	2	-	1
Prepayments and accrued income	1,701	1,479	121	225
Tax recoverable	195	6	80	6
Deferred taxation	-	-	31	-
	<u>4,224</u>	<u>2,955</u>	<u>931</u>	<u>26,795</u>

16. Cash and cash equivalents

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Cash at bank and in hand	4,378	2,050	1,861	656

Notes to the Financial Statements

For the Year Ended 30 September 2017

17. Creditors: Amounts falling due within one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Bank loans	1,222	1,548	-	1,548
Trade creditors	989	721	989	721
Amounts owed to group undertakings	-	-	4,033	825
Amounts owed to other participating interests	-	2	-	2
Corporation tax	359	223	71	-
Other taxation and social security	648	605	349	391
Other creditors	2,335	1,790	222	205
Accruals and deferred income	1,881	2,079	369	349
	<u>7,434</u>	<u>6,968</u>	<u>6,033</u>	<u>4,041</u>

The bank borrowings are secured by standard securities over the freehold properties of the Group, and by bond and floating charges over the whole property and undertakings of the Group. The directors loan (due to Anthony Banks) is unsecured.

Balhousie Care Limited agreed new long term facilities with Coutts on 22 August 2017. The total borrowings outstanding at the balance sheet date in relation to this facility amounted to £25.5m. Advanced Specialist Care Limited agreed new long term facilities with Triodos Bank NV on 22 August 2017. The total borrowings outstanding at the balance sheet date in relation to this facility amounted to £14.4m.

18. Creditors: Amounts falling due after more than one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Bank loans	37,808	35,158	-	35,158
Interest rate swap	-	2,714	-	2,714
	<u>37,808</u>	<u>37,872</u>	<u>-</u>	<u>37,872</u>

Notes to the Financial Statements

For the Year Ended 30 September 2017

19. Loans

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Amounts falling due within one year				
Bank loans	1,222	1,548	-	1,548
Amounts falling due 1-2 years				
Bank loans	1,281	35,158	-	35,158
Amounts falling due 2-5 years				
Bank loans	4,111	-	-	-
Amounts falling due after more than 5 years				
Bank loans	32,416	-	-	-
	<u>39,030</u>	<u>36,706</u>	<u>-</u>	<u>36,706</u>

20. Financial instruments

	Group 2017 £000	Group 2016 £000
Financial assets		
Financial assets measured at amortised cost:	<u>6,417</u>	<u>3,190</u>
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	(2,714)
Financial liabilities measured at amortised cost:	<u>44,235</u>	<u>(41,296)</u>
	<u>44,235</u>	<u>(44,010)</u>

Financial assets measured at amortised cost comprise of cash, trade debtors and other debtors.

Financial liabilities measured at fair value through profit and loss comprise of interest rate swaps.

Financial liabilities measured at amortised cost comprise of trade creditors, bank overdrafts and loans, amounts owed from participating interests, other creditors and accruals and deferred income.

Notes to the Financial Statements

For the Year Ended 30 September 2017

21. Deferred taxation

Group

	2017 £000
At beginning of year	(3,146)
Charged to profit or loss	20
Charged to other comprehensive income	(458)
Utilised in year	-
At end of year	(3,584)

Company

	2017 £000
At beginning of year	(155)
Charged to profit or loss	10
Charged to other comprehensive income	176
At end of year	31

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Accelerated capital allowances	(1,128)	(1,245)	23	18
Tax losses carried forward	502	765	-	-
Short-term timing differences	188	32	5	-
Capital gains / (losses)	(3,146)	(2,698)	3	(173)
	(3,584)	(3,146)	31	(155)

Notes to the Financial Statements

For the Year Ended 30 September 2017

22. Share capital

	2017 £000	2016 £000
Shares classified as equity		
Allotted, called up and fully paid		
1,000 Ordinary shares shares of £1 each	1	1

23. Reserves

Revaluation reserve

This reserve comprises of revaluations to freehold properties.

Profit and loss account

Includes all current and prior period retained profits and losses.

24. Prior year adjustment

In the prior year a bad debt provision was put in place within Balhousie Holdings Limited's Company accounts for an intercompany balance. It was subsequently noted that in previous years this amount had already been provided for and as such this amount has been corrected. Given the amount involved this has been deemed material and as such a prior year adjustment made.

25. Contingent liabilities

As reported in prior periods, a claim of £825,800 was lodged by Her Majesty's Revenue and Customs (HMRC) against Balhousie Care Limited in respect to VAT deemed to be over recovered in the period to 30 September 2013. Based on legal advice, the directors considered the claim was unlikely to succeed and as such no amounts were provided in relation to this. On 31 May 2016 the First Tier Tribunal found in favour of the Company. HMRC have appealed the ruling and the Second Tier Tribunal found in favour of HMRC. The Company has decided to appeal against the ruling to the Court of Session and this is forecast to be heard in 2018. (No provision has been made within these financial statements regarding this claim.)

26. Capital commitments

At 30 September 2017 the Group and Company had capital commitments as follows:

	Group 2017 £000	Group 2016 £000
Installation and commission of Water Treatment Tank	-	45
Works for proposed foyer	-	36
	-	81

Notes to the Financial Statements

For the Year Ended 30 September 2017

27. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £132k (2016: £182k). Contributions totaling £51k (2016: £42k) were payable to the fund at the balance sheet date and are included in creditors.

28. Commitments under operating leases

At 30 September 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Land and buildings				
Within 1 year	2,670	2,611	394	125
Between 2 and 5 years	10,733	10,444	1,632	500
After more than 5 years	52,191	53,050	3,513	624
	<u>65,594</u>	<u>66,105</u>	<u>5,539</u>	<u>1,249</u>

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Other				
Within 1 year	148	148	109	138
Between 2 and 5 years	98	182	70	178
	<u>246</u>	<u>330</u>	<u>179</u>	<u>316</u>

Notes to the Financial Statements

For the Year Ended 30 September 2017

29. Related party transactions

The net balance on the director's loan account at the period end amounted to £65,302 (2016: £109,162). During the year, £120,000 was advanced to the director (2016: £120,000) and interest of £16,517 (2016: £17,438), was charged on the balance.

During the period the Group was charged £10,034 (2016: £6,213) by Milnbank Limited for construction services provided. The Group also made payments of £691 (2016: £18,595) to Milnbank Limited for the services provided. The balance owed to Milnbank Limited at the period end was £890 (2016: £3,448). The balance owed to the Group by Milnbank Limited at the period end was £13,981 (2016: £48,210) Anthony Banks is a 50% shareholder in Milnbank Limited.

The Group paid fees of £Nil (2016: £Nil) on Behalf of TIC (Angus) Limited. TIC (Angus) Limited is 50% owned by Anthony Banks. The balance due to TIC (Angus) Limited at the period end was £Nil (2016: £1,849), after TIC (Angus) Limited repaid the balance of £1,849 to the Group for payments made on their behalf.

The Group was charged by ARB Properties Scotland LLP (ARB) a rental for Earn House in the year of £125,000 (2016: £125,000) which the Group paid in full in the year. ARB in the year reimbursed the Group £33,120 (2016: £4,561) for payments made on their behalf to third parties in the prior year. ARB in the year paid third parties £Nil (2016: £6,441) on behalf of the Group. The Group in the year paid third parties on behalf of ARB £7,119 (2016: £42,355). The Group in the year made other payments to ARB of £Nil (2016: £50,000). The balance due from ARB at the period end was £175 (2016: debtor of £26,126). ARB Properties LLP is a partnership of which Anthony Banks is a Designated Member.

The Group paid fees of £47,995 (2016: £45,953) on behalf of Affertons Limited. Affertons Limited paid £67,473 (2016: £45,365) to the Group as repayment of the related party balance. Affertons Limited is owned by Anthony Banks. The balance due from Affertons Limited at the year-end was £Nil (2016: £19,478).

The Group has taken advantage of exemptions allowed under FRS 102 enabling it not to report related party transaction between wholly owned subsidiaries.

The total cost to the group of remunerating key management personnel was £314k (2016: £296k).

30. Post balance sheet events

In relation to the banking agreement, the company arranged the drawdown of an additional £9.1million under the Coutts bank facility to finance the purchase of Medicx Health (Five) Limited, a company that owned three care home properties operated by Balhousie Care Limited

31. Controlling party

The company is controlled by director Anthony Banks.