

Silverline Care Limited

Directors' Report and Financial Statements

Year Ended

30 September 2019

Company Number 08526793

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Silverline Care Limited

Company Information

Directors	T J Bolot D Wulwick
Registered number	08526793
Registered office	383a Euston Road London NW1 3AU
Independent auditor	BDO LLP 55 Baker Street London W1U 7EU

Silverline Care Limited

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Silverline Care Limited

Directors' Report For the Year Ended 30 September 2019

The directors present their report together with the audited financial statements for the year ended 30 September 2019.

Principal activity

The principal activity of the company is to operate care homes, which are owned by fellow subsidiary undertaking, BAM Propco Limited.

Going concern

The group's external banking finance of £36,400,000, which is secured against the company's fixed assets, is repayable on demand. For further details of this refer to note 2.2.

Directors

The directors who served during the year were:

T J Bolot
D Wulwick

Disclosure of information to auditor

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

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

Post balance sheet events

Post balance sheet events are considered in note 20.

Auditor

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

Small companies note

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

This report was approved by the board on 7 September 2020 and signed on its behalf.



T J Bolot
Director

Silverline Care Limited

Directors' Responsibilities Statement For the Year Ended 30 September 2019

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

Company law requires the directors to prepare financial statements for each financial 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 of the profit or loss of the company for that period.

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

- select suitable accounting policies 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Silverline Care Limited

Independent Auditors' Report to the Members of Silverline Care Limited

Opinion

We have audited the financial statements of Silverline Care Limited ("the Company") for the year ended 30 September 2019 which comprise the statement of income and retained earnings, the statement of financial position and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 30 September 2019 and its 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.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 2.2 to the financial statements, which indicates that the company is reliant on the continued support of the group's bank, which has been provided on a non-binding basis. As stated in note 2.2, these events or conditions, along with other matters as set out in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Silverline Care Limited

Independent Auditors' Report to the Members of Silverline Care Limited (continued)

Other information

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Silverline Care Limited

Independent Auditors' Report to the Members of Silverline Care Limited (continued)

Responsibilities of directors

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

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

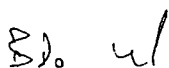
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



7 September 2020

Richard Levy (Senior Statutory Auditor)
For and on behalf of **BDO LLP**, Statutory Auditor
London
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Silverline Care Limited

Statement of Income and Retained Earnings For the Year Ended 30 September 2019

	Note	2019 £	2018 £
Turnover	4	2,581,207	2,509,314
Cost of sales		(2,286,260)	(2,094,448)
Gross profit		294,947	414,866
Administrative expenses		(699,024)	(597,719)
Exceptional administrative expenses - provision for intragroup debtors		(11,501)	-
Operating loss	5	(415,578)	(182,853)
Interest receivable and similar income		178	12
Loss before tax		(415,400)	(182,841)
Tax on loss	8	-	-
Loss after tax		(415,400)	(182,841)
Retained earnings at the beginning of the year		(415,255)	(232,414)
Loss for the year		(415,400)	(182,841)
Retained earnings at the end of the year		(830,655)	(415,255)

The notes on pages 8 to 18 form part of these financial statements.

Silverline Care Limited

Registered number: 08526793

Statement of Financial Position As at 30 September 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	11		-		100
Current assets					
Debtors: amounts falling due within one year	12	299,738		547,523	
Cash at bank and in hand	13	126,447		10,395	
		<u>426,185</u>		<u>557,918</u>	
Creditors: amounts falling due within one year	14	(1,256,839)		(973,272)	
Net liabilities			<u>(830,654)</u>		<u>(415,254)</u>
Capital and reserves					
Called up share capital	15		1		1
Profit and loss account	16		(830,655)		(415,255)
			<u>(830,654)</u>		<u>(415,254)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
7 September 2020



T J Bolot
Director

The notes on pages 8 to 18 form part of these financial statements.

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

1. General information

Silverline Care Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the directors' report.

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 Section 1A of 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 Section 1A of FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.2 Going concern

Since its inception the company's wider group has relied upon funding provided by its bank to finance its investments and to meet its ongoing working capital requirements. These loans, which amounted to £36.4 million at 30 September 2019 (2018 - £35.8 million), are subject to cross guarantees and security as disclosed in note 18. The loan facilities were renewed in February 2018 and now expire on 31 December 2024, although all of the amounts drawn are repayable on demand.

Since the year end, in April 2020, the group deferred interest payments due to its bank but has since repaid the outstanding balance over a short period. No action has been taken by the bank in relation to this event of default.

The company's ability to continue as a going concern is dependent on that of the group.

Specifically in relation to the potential impact of the COVID-19 pandemic on the group, the directors have considered:

- the current trading performance of the group following lockdown measures introduced by the government;
- the short to medium term economic impacts due to the COVID-19 pandemic within the care home sector;
- their robust control procedures which have been put into place to ensure that the group is not materially impacted should there be a second wave of the pandemic;
- their strong communication strategy with their bankers regarding performance against budget especially in relation to KPI's such as care home occupancy levels, weekly average fees and staff cost and other key cost variances.

The group has prepared projections for the period to September 2021 which show that it will have a similar shortfall of funds to cover its interest payment in the forthcoming quarter and expects to repay the outstanding interest balance over a short period with the continued financial support of its bankers. Thereafter the group expects to be able to work within the terms of its borrowing facilities for the foreseeable future. Any delay in the return of pre-COVID-19 occupancy levels or any further waves of COVID-19 infection could have a further effect on the group's ability to fulfil its future interest and other financial obligations.

The bank has provided a "standstill" letter of support to the group on a non-binding basis. The bank has not taken any enforcement steps since an interest deferral in April 2020 and, whilst it continues to review the performance of the care homes and reserves its rights under the loan agreements, the bank's current intention is to continue the debt finance facilities on their existing terms. On this basis, the directors believe the bank will continue to support the group for a period of not less than twelve months from the date of approval of the financial statements, and covering the projected interest deferral in the forthcoming quarter. They believe that it is reasonable in these circumstances to assume that the group will have adequate resources to continue in operational existence with the ongoing financial support of their bankers. Accordingly they have drawn up the financial statements on a going concern basis.

As the standstill letter of support from the bank is provided on a non-binding basis, a material uncertainty exists which may cast significant doubt over the group's and therefore the company's ability to continue as a going concern. These financial statements do not include the adjustments that would result if the group and company were unable to continue as a going concern.

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period, exclusive of value added tax and trade discounts. The whole of the turnover is attributable to the operational of care homes which are owned by a fellow subsidiary undertaking. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a service provided is recognised in the period in which the services are provided in accordance with the stage of completion of the service when all of the following conditions are satisfied:

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

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

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:

Fixtures and fittings	- 20 - 33% per annum
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of income and retained earnings.

2.6 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.

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.7 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.

2.8 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.

2.9 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of income and retained earnings 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.

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.11 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the statement of financial position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the reporting date.

2.12 Interest income

Interest income is recognised in the statement of income and retained earnings using the effective interest method.

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

2. Accounting policies (continued)

2.13 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 the 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 statement of income and retained earnings.

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

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

2.14 Exceptional items

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

2.15 Taxation

Tax is recognised in the statement of income and retained earnings, 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 operates and generates income.

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

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

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 11)

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 and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

4. Turnover

All turnover arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2019	2018
	£	£
Depreciation of tangible fixed assets	100	39,752
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	12,000	12,000
Rent expense payable to group undertakings	185,696	253,065

6. Employees

The average monthly number of employees, including directors, during the year was 117 (2018 - 107).

7. Directors' remuneration

During the year, no director received any emoluments (2018 - £Nil).

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

8. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(415,400)</u>	<u>(182,841)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<u>(78,926)</u>	<u>(34,740)</u>
Effects of:		
Losses carried forward	<u>78,926</u>	<u>34,740</u>
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

9. Exceptional items

	2019 £	2018 £
Provision for intragroup debtors	<u>11,501</u>	<u>-</u>
	<u>11,501</u>	<u>-</u>

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

10. Intangible assets

	Goodwill £
Cost	
Additions	20,000
At 30 September 2019	<u>20,000</u>
Amortisation	
Charge for the year	20,000
At 30 September 2019	<u>20,000</u>
Net book value	
At 30 September 2019	<u>-</u>
At 30 September 2018	<u>-</u>

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

11. Tangible fixed assets

	Fixtures and fittings £
Cost	
At 1 October 2018	200,000
At 30 September 2019	<u>200,000</u>
Depreciation	
At 1 October 2018	199,900
Charge for the year on owned assets	100
At 30 September 2019	<u>200,000</u>
Net book value	
At 30 September 2019	<u>-</u>
At 30 September 2018	<u>100</u>

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

12. Debtors: amounts falling due within one year

	2019 £	2018 £
Trade debtors	199,144	409,604
Amounts owed by group undertakings	-	55,080
Other debtors	1,357	-
Prepayments and accrued income	99,237	82,839
	<u>299,738</u>	<u>547,523</u>

13. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>126,447</u>	<u>10,395</u>

14. Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	96,506	34,223
Amounts owed to group undertakings	883,142	584,304
Other taxation and social security	34,850	27,303
Other creditors	178,823	204,625
Accruals and deferred income	63,518	122,817
	<u>1,256,839</u>	<u>973,272</u>

15. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

16. Reserves

The company's capital and reserves are as follows:

Called up share capital

Called up share capital represents the nominal value of the shares issued.

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2019

Profit and loss account

The profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

17. Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £23,440 (2018 - £12,246). Contributions totalling £7,990 (2018 - £4,655) were payable to the fund at the reporting date and are included in creditors.

18. Financial commitments

The company has given a fixed and floating charge over all of its assets as security for the borrowings of its fellow subsidiary undertakings. The total amount of group borrowings outstanding at 30 September 2019 was £36,400,000 (2018 - £35,800,000).

19. Related party transactions

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

20. Post balance sheet events

In early 2020, the existence of a new coronavirus, now known as COVID-19, was confirmed and since this time COVID-19 has spread across a significant number of countries. COVID-19 has caused disruption to businesses and economic activity which has been reflected in recent fluctuations in global securities markets and the care home sector specifically. COVID-19 is considered to be a non-adjusting post balance sheet event in relation to the entity's 2019 financial statements.

In the short term, this has had an impact on the company and the wider group's profitability with occupancy rates in the care homes being affected and increased staff and other costs as a result of the virus. Although COVID-19 is a non-adjusting post balance sheet event, given the inherent uncertainties, it is not practicable at this time to determine the impact of COVID-19 on the company, its group or to provide a quantitative estimate of this impact at this stage. The directors have considered the impact of COVID-19 in their going concern assessment (note 2.2) and consider that it does not affect the ability of the company or the group to generate value in the long-term assuming the ongoing financial support of the group's bankers.

21. Ultimate parent undertaking controlling party

The immediate parent undertaking is BAM Holdco Limited.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is BAM Parentco (2) Limited. Consolidated accounts are available from Companies House, Cardiff, CF14 3UZ. In the opinion of the directors this is the company's ultimate parent company.

The ultimate controlling party is Mr T J Bolot.