

Silverline Care Limited

Directors' Report and Financial Statements

Year Ended

30 September 2017

Company Number 08526793

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Silverline Care Limited

Company Information

Directors	T Bolot D Wulwick
Registered number	08526793
Registered office	1 Portland Place London W1B 1PN
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 2017

The directors present their report together with the audited financial statements for the year ended 30 September 2017.

Directors' responsibilities

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 for the company's financial statements and then apply them consistently;
- make judgments 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.

Principal activity

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

Results and dividends

The result for the year, after taxation, amounted to £NIL (2016 - £Nil).

The directors do not recommend the payment of a dividend (2016 - £Nil).

Going concern

The group's external banking finance of £35.8m, which is secured against the company's fixed assets, is repayable on demand. For further details of this please refer to note 2.2.

Directors

The directors who served during the year were:

T Bolot
D Wulwick
R Dryden (resigned 31 December 2017)

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

Auditor

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

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 29th June 2018 and signed on its behalf.



T Bolot
Director

Silverline Care Limited

Independent Auditor's 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 2017 which comprise the statement of comprehensive income, the statement of financial position and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2017 and of its result 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 a going concern

We draw attention to note 2.2 to the financial statements, which indicates the company is a party to group bank loans of £35.8m which are repayable on demand. As stated in note 2.2, these events or conditions 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.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. 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.

Silverline Care Limited

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

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 and from the requirement to prepare a Strategic report.

Responsibilities of directors

As explained more fully in the Directors' responsibilities 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.

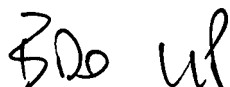
A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Silverline Care Limited

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

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.



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

29 JUN 2018

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

Silverline Care Limited

Statement of Comprehensive Income For the Year Ended 30 September 2017

	Note	2017 £	2016 £
Turnover		2,433,270	2,344,564
Cost of sales		(2,055,249)	(1,936,042)
Gross profit		378,021	408,522
Administrative expenses		(378,186)	(408,580)
Operating loss	4	(165)	(58)
Interest receivable and similar income		165	58
Profit before tax		-	-
Tax on profit		-	-
Profit for the financial year		-	-

There was no other comprehensive income for 2017 (2016 - £Nil).

The notes on pages 9 to 15 form part of these financial statements.


Silverline Care Limited
Registered number: 08526793

Statement of Financial Position
As at 30 September 2017

	Note	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible fixed assets	6		39,852		79,604
Current assets					
Debtors	7	314,892		334,298	
Cash and cash equivalents		1,174		135,500	
		<u>316,066</u>		<u>469,798</u>	
Creditors: amounts falling due within one year	8	(588,331)		(781,815)	
Net current liabilities			<u>(272,265)</u>		<u>(312,017)</u>
Net liabilities			<u>(232,413)</u>		<u>(232,413)</u>
Capital and reserves					
Called up share capital	9		1		1
Profit and loss account			(232,414)		(232,414)
Total equity			<u>(232,413)</u>		<u>(232,413)</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

 29 June 2018.

T Bolot
Director

The notes on pages 9 to 15 form part of these financial statements.

Silverline Care Limited

Statement of Changes in Equity For the Year Ended 30 September 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2016	1	(232,414)	(232,413)
Comprehensive income for the year			
Result for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 30 September 2017	1	(232,414)	(232,413)

Statement of Changes in Equity For the Year Ended 30 September 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2015	1	(232,414)	(232,413)
Comprehensive income for the year			
Result for the year	-	-	-
Total comprehensive income for the year	-	-	-
At 30 September 2016	1	(232,414)	(232,413)

The notes on pages 9 to 15 form part of these financial statements.

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2017

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 principal activities 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

Since its inception the company and the 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 £35.8 million at 30 September 2017 (2016 - £35.9 million), are subject to cross guarantees and security. The facilities were renewed post year-end on 18 February 2018 and now expire on dates ranging from 31 December 2024 and 15 January 2031, although all of the amounts drawn are repayable on demand. Under the loan arrangements in place during the year, the loan expiry dates ranged from 30 September 2018 and 15 January 2031 (although all amounts drawn were repayable on demand).

The company's parent has prepared projections which show that it and the company should be able to work within the terms of its borrowing facilities for the foreseeable future. The bank has provided a letter of support to the parent company on a non-binding basis, noting that its interests are aligned with the continued operation of the business in accordance with the terms of the debt finance documents. The directors therefore believe the bank will continue to support the group and the company and they have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future. Accordingly they have drawn up the financial statements on a going concern basis.

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

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 operation of care homes which are owned by a fellow subsidiary undertaking.

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets and depreciation

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:

Furniture, fixtures and fittings - 20 - 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 statement of comprehensive income.

2.5 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.

2.6 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.

2.7 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.

2.8 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the 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.

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.9 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 comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.10 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the reporting 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.

2.11 Interest income

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

2.12 Taxation

Tax is recognised in the 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 operates and generates income.

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

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

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

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2017

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 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 6)

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. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	39,752	39,751
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	26,958	27,810
Rent expense payable to group undertakings	124,954	-
	<u>124,954</u>	<u>-</u>

During the year, no director received any emoluments (2016 - £Nil).

5. Employees

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

	2017	2016
	No.	No.
	124	93
	<u>124</u>	<u>93</u>

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2017

6. Tangible fixed assets

	Furniture, fixtures and fittings £
Cost	
At 1 October 2016	200,000
At 30 September 2017	<u>200,000</u>
Depreciation	
At 1 October 2016	120,396
Charge for the year on owned assets	39,752
At 30 September 2017	<u>160,148</u>
Net book value	
At 30 September 2017	<u>39,852</u>
At 30 September 2016	<u>79,604</u>

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2017

7. Debtors

	2017 £	2016 £
Trade debtors	252,813	232,233
Prepayments and accrued income	62,079	102,065
	<u>314,892</u>	<u>334,298</u>

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	100,926	62,926
Amounts owed to group undertakings	332,937	516,696
Other taxation and social security	22,884	21,825
Other creditors	33,469	89,931
Accruals and deferred income	98,115	90,437
	<u>588,331</u>	<u>781,815</u>

9. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

10. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1,568 (2016 - £Nil). Contributions totalling £386 (2016 - £Nil) were payable to the fund at the reporting date and are included in creditors.

11. 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 2017 was £35.8 million (2016 - £35.9 million).

Silverline Care Limited

Notes to the Financial Statements For the Year Ended 30 September 2017

12. Ultimate parent undertaking and 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 Bolot.