

Silverline Care Limited

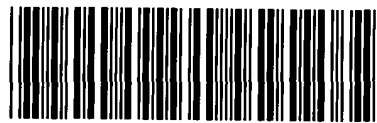
Report and Financial Statements

Year Ended

30 September 2016

Company Number 08526793

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Silverline Care Limited

Company Information

Directors	T Bolot D Wulwick R Dryden
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 2016

The directors present their report and the financial statements for the year ended 30 September 2016.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). 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 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 profit for the year, after taxation, amounted to £NIL (2015 - loss £171,984).

The directors do not recommend the payment of a dividend (2015 - £NIL).

Directors

The directors who served during the year were:

T Bolot
D Wulwick
R Dryden

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.

Silverline Care Limited

Directors' Report (continued)
for the year ended 30 September 2016

Auditor

The auditor, 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 and signed on its behalf.



.....
T Bolot
Director

Date: 30/6/17

Silverline Care Limited

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

We have audited the financial statements of Silverline Care Limited for the year ended 30 September 2016 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2016 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.

Silverline Care Limited

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

Emphasis of matter - going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in note 2.3 to the financial statements concerning the ability of the company to continue as a 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 facilities are subject to cross guarantees and security and expire on dates ranging from 30 September 2018, 13 March 2019 and 15 January 2031, although all of the amounts drawn are repayable on demand.

The company's parent group 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 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 were unable to continue as a going concern.

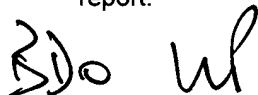
Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Richard Levy (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
United Kingdom

Date: **30 JUN 2017**

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 2016

	Note	2016 £	2015 £
Turnover	4	2,344,564	1,891,863
Cost of sales		(1,936,042)	(1,779,867)
Gross profit		408,522	111,996
Administrative expenses		(408,580)	(284,055)
Operating loss	5	(58)	(172,059)
Interest receivable and similar income	7	58	75
Profit/(loss) before tax		-	(171,984)
Tax on profit/(loss)		-	-
Profit/(loss) for the year		-	(171,984)

All amounts relate to continuing operations.

There was no other comprehensive income for 2016 (2015:£NIL).

The notes on pages 8 to 16 form part of these financial statements.


Silverline Care Limited
Registered number: 08526793

Statement of Financial Position
as at 30 September 2016

	Note	£	2016 £	£	2015 £
Fixed assets					
Tangible fixed assets	9		79,604		119,355
Current assets					
Debtors	10	334,298		283,910	
Cash and cash equivalents	11	135,500		137,040	
			<u>469,798</u>		<u>420,950</u>
Creditors: amounts falling due within one year	12	(781,815)		(772,718)	
Net current liabilities			<u>(312,017)</u>		<u>(351,768)</u>
Total assets less current liabilities			<u>(232,413)</u>		<u>(232,413)</u>
Capital and reserves					
Called up share capital	13		1		1
Profit and loss account	14	(232,414)		(232,414)	
			<u>(232,413)</u>		<u>(232,413)</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

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


.....
T Bolot
Director

Date: 30/6/17

The notes on pages 8 to 16 form part of these financial statements.

Silverline Care Limited

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	-	-	-
At 30 September 2016	<u>1</u>	<u>(232,414)</u>	<u>(232,413)</u>

Statement of Changes in Equity for the year ended 30 September 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2014	1	(60,430)	(60,429)
Comprehensive loss for the year			
Loss for the year	-	(171,984)	(171,984)
At 30 September 2015	<u>1</u>	<u>(232,414)</u>	<u>(232,413)</u>

The notes on pages 8 to 16 form part of these financial statements.

Silverline Care Limited

Notes to the Financial Statements for the year ended 30 September 2016

1. General information

Silverline Care Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the company information page and the nature of the company's operations and 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 and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 18.

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 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of BAM Parentco (2) Limited as at 30 September 2016 and these financial statements may be obtained from Companies House, Cardiff, CF14 3UZ.

Silverline Care Limited

Notes to the Financial Statements for the year ended 30 September 2016

2. Accounting policies (continued)

2.3 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 facilities are subject to cross guarantees and security and expire on dates ranging from 30 September 2018 and 15 January 2031, although all of the amounts drawn are repayable on demand.

The company's parent group 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.

2.4 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.

2.5 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.

2.6 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 2016

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 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 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.

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.

Silverline Care Limited

Notes to the Financial Statements for the year ended 30 September 2016

2. Accounting policies (continued)

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.

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 9)

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.

Silverline Care Limited

Notes to the Financial Statements for the year ended 30 September 2016

4. Turnover

The whole of the turnover is attributable to the operation of care homes which are owned by a fellow subsidiary undertaking, BAM Propco Limited, and arises solely within the United Kingdom.

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

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

	2016 £	2015 £
Depreciation of tangible fixed assets	39,751	40,215
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	27,810	17,001
	<u>67,561</u>	<u>57,216</u>

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

6. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,316,459	1,223,573
Social security costs	80,245	69,438
	<u>1,396,704</u>	<u>1,293,011</u>

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

	2016 No.	2015 No.
	93	94
	<u>93</u>	<u>94</u>

7. Interest receivable and similar income

	2016 £	2015 £
Other interest receivable	58	75
	<u>58</u>	<u>75</u>

Silverline Care Limited

Notes to the Financial Statements for the year ended 30 September 2016

8. Taxation

	2016 £	2015 £
Current tax on profits/(losses) for the year	-	-
Taxation on profit/(loss) on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2015 - lower than) the standard rate of corporation tax in the UK of 20.00% (2015 - 21.00%). The differences are explained below:

	2016 £	2015 £
Profit/(loss) on ordinary activities before tax	-	(171,984)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.00% (2015 - 21.00%)	-	(36,117)
Effects of:		
Expenses not deductible for tax purposes	-	8,445
Unrelieved tax losses carried forward	-	27,672
Total tax charge for the year	-	-

Silverline Care Limited

Notes to the Financial Statements for the year ended 30 September 2016

9. Tangible fixed assets

	Furniture, fixtures and fittings £
Cost	
At 1 October 2015 and 30 September 2016	200,000
Depreciation	
At 1 October 2015	80,645
Charge for the period on owned assets	39,751
At 30 September 2016	120,396
Net book value	
At 30 September 2016	79,604
At 30 September 2015	119,355

Silverline Care Limited

Notes to the Financial Statements for the year ended 30 September 2016

10. Debtors

	2016 £	2015 £
Trade debtors	232,233	213,346
Other debtors	-	1,144
Prepayments and accrued income	102,065	69,420
	<u>334,298</u>	<u>283,910</u>

All amounts are due within one year.

11. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>135,500</u>	<u>137,040</u>

12. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	62,926	62,218
Amounts owed to group undertakings	516,696	548,822
Other taxation and social security	21,825	18,031
Other creditors	89,931	80,765
Accruals and deferred income	90,437	62,882
	<u>781,815</u>	<u>772,718</u>

13. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
1 ordinary share of £1	<u>1</u>	<u>1</u>

Silverline Care Limited

Notes to the Financial Statements for the year ended 30 September 2016

14. Reserves

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

15. Related party transactions

The company has taken advantage of the exemption available under paragraph 33.1A of the Financial Reporting Standard 102 not to disclose transactions with other wholly owned members of the group.

16. 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.

17. 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 2016 was £35.9 million (2015 - £36.3 million).

18. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.