

Company Registration No. 02234990 (England and Wales)

Colleycare Limited
Annual report and financial statements
For the year ended 30 September 2017



mgr.westonkay
CHARTERED ACCOUNTANTS

55 Loudoun Road
St John's Wood
London NW8 0DL

COLLEYCARE LIMITED

COMPANY INFORMATION

Directors	W J Hughes I Sloan T Bruton R Rodgers C M Wood
Secretary	T Bruton
Company number	02234990
Registered office	Old Town Court 70 Queensway Hemel Hempstead Hertfordshire HP2 5HD
Auditor	MGR Weston Kay LLP 55 Loudoun Road St John's Wood London NW8 0DL
Bankers	Barclays Bank PLC 54 Lombard Street London EC3V 9EX

COLLEYCARE LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 23

COLLEYCARE LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present the strategic report for the year ended 30 September 2017.

Fair review of the business

The company increased its turnover by 15.6% (2016: 11.2%) during the year under review. The company's direct costs, which are dominated by wage costs for the homes, increased by 12.6% (2016: 13.4%) and the administrative expenses increased by 52.0% (2016: 18.5%) after the head office costs were taken over by the company. The directors are satisfied with the results for the year and the company's future trading prospects.

Principal risks and uncertainties

The directors consider the main risks faced by the business are those relating to the provision of substandard care, failure to respond to changes in legislation and funding policy. The directors are aware of these risks, have developed sophisticated care planning and recording systems to ensure that the company's residents receive the best quality of care, keep fully up to date with current and proposed legislation, regulations and funding policies thereby mitigating these risks as far as possible.

Development and performance

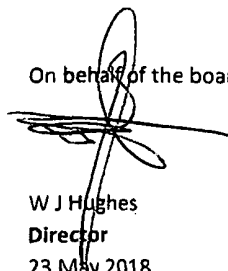
In the opinion of the directors, the company is in a strong position at year end having achieved a 3.0% increase in profit before tax for the year and had retained profits of £58.9m.

Key performance indicators

The company's management regularly monitor the performance of the homes, reviewing monthly management information including management accounts, occupancy ratios and staffing requirements. They also work with the Care Quality Commission to ensure that the standard of care given to the care users is in line or exceeds the national standard. The main key performance indicators are sales growth highlighted above, gross profit margin which was maintained and the net current asset ratio which stood at 5.08.

The main non-financial KPIs are (i) average company-wide occupancy which has remained above 70% and (ii) meeting Care Quality Commission regulations and guidelines which has revealed no incidences of fundamental non-compliance.

On behalf of the board



W J Hughes
Director
23 May 2018

COLLEYCARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

Principal activities

The principal activity of the company is the operation of residential care and nursing homes for the elderly.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

W J Hughes
I Sloan
T Bruton
R Rodgers
C M Wood

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Financial instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risk arising from trading activities which are only conducted in sterling. The company does not enter into any lending transactions.

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of 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 company's policy is to consult and discuss with employees, matters likely to affect employees' interests, at monthly and ad hoc meetings.

Information of matters of concern to employees is given through information bulletins and the company intranet to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Future developments

Colleycare continues with its goal of overall growth and it is expanding its portfolio of purpose built residential care homes north and west of the Home Counties. The directors aim to maintain general occupancy levels while increasing dementia bed registration to help to meet the current needs that are being experienced. The company continues to invest in the training of its staff, maintaining and improving its existing residential care homes and building new homes.

Auditor

The auditor, MGR Weston Kay LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

COLLEYCARE LIMITED

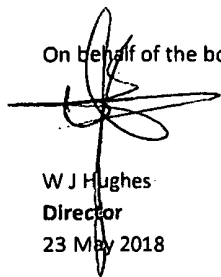
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

A handwritten signature in black ink, appearing to be 'W J Hughes', written over a horizontal line.

W J Hughes
Director
23 May 2018

COLLEYCARE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors are responsible for preparing the annual 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;
- 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 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.

COLLEYCARE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF COLLEYCARE LIMITED

Opinion

We have audited the financial statements of Colleycare Limited (the 'company') for the year ended 30 September 2017 set out on pages 8 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 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 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.

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

- the information given in the 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 Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

COLLEYCARE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF COLLEYCARE LIMITED

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 Strategic Report and the Directors' Report.

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.
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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.

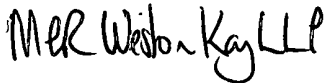
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

COLLEYCARE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF COLLEYCARE LIMITED

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.



Nigel Walfisz FCA (Senior Statutory Auditor)

for and on behalf of MGR Weston Kay LLP

Chartered Accountants

Statutory Auditor

55 Loudoun Road

St John's Wood

London

NW8 0DL

11 June 2018

COLLEYCARE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2017

		2017	2016
	Notes	£	£
Turnover	3	31,697,728	27,413,064
Cost of sales		(15,420,123)	(13,689,148)
Gross profit		16,277,605	13,723,916
Administrative expenses		(7,000,150)	(4,605,330)
Operating profit	4	9,277,455	9,118,586
Share of results of associates		651,014	256,724
Interest receivable and similar income	8	31,052	39,842
Interest payable and similar expenses	9	(595,830)	(325,844)
Profit before taxation		9,363,691	9,089,308
Taxation	10	(1,686,241)	(1,643,223)
Profit for the financial year		7,677,450	7,446,085

The profit and loss account has been prepared on the basis that all operations are continuing operations.

COLLEYCARE LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017

	2017 £	2016 £
Profit for the year	7,677,450	7,446,085
Other comprehensive income	-	-
Total comprehensive income for the year	<u>7,677,450</u>	<u>7,446,085</u>

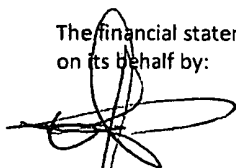
COLLEYCARE LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	12	68,689,766	55,212,542
Investment properties	13	563,165	563,165
Investments	14	5,027,738	4,376,724
		<u>74,280,669</u>	<u>60,152,431</u>
Current assets			
Stocks	16	36,693	27,239
Debtors	17	15,043,512	9,931,216
Cash at bank and in hand		557,580	1,893,532
		<u>15,637,785</u>	<u>11,851,987</u>
Creditors: amounts falling due within one year	18	<u>(3,075,491)</u>	<u>(2,849,905)</u>
Net current assets		<u>12,562,294</u>	<u>9,002,082</u>
Total assets less current liabilities		<u>86,842,963</u>	<u>69,154,513</u>
Creditors: amounts falling due after more than one year	19	(27,967,000)	(17,956,000)
Net assets		<u><u>58,875,963</u></u>	<u><u>51,198,513</u></u>
Capital and reserves			
Called up share capital	23	100	100
Profit and loss reserves		58,875,863	51,198,413
Total equity		<u><u>58,875,963</u></u>	<u><u>51,198,513</u></u>

The financial statements were approved by the board of directors and authorised for issue on 23 May 2018 and are signed on its behalf by:



W J Hughes
Director

Company Registration No. 02234990

COLLEYCARE LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 October 2015		100	52,752,328	52,752,428
Year ended 30 September 2016:				
Profit and total comprehensive income for the year		-	7,446,085	7,446,085
Dividends	11	-	(9,000,000)	(9,000,000)
Balance at 30 September 2016		100	51,198,413	51,198,513
Year ended 30 September 2017:				
Profit and total comprehensive income for the year		-	7,677,450	7,677,450
Balance at 30 September 2017		100	58,875,863	58,875,963

COLLEYCARE LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	26	4,889,764		13,005,864	
Interest paid		(595,830)		(325,844)	
Income taxes paid		(1,774,285)		(1,916,256)	
Net cash inflow from operating activities		<u>2,519,649</u>		<u>10,763,764</u>	
Investing activities					
Purchase of tangible fixed assets		(13,897,653)		(7,890,433)	
Proceeds on disposal of tangible fixed assets		-		778,713	
Acquisition of interest in associates		-		(4,120,000)	
Interest received		31,052		39,842	
Net cash used in investing activities		<u>(13,866,601)</u>		<u>(11,191,878)</u>	
Financing activities					
New bank loans		10,011,000		17,956,000	
Dividends paid		-		(9,000,000)	
Net cash generated from financing activities		<u>10,011,000</u>		<u>8,956,000</u>	
Net (decrease)/increase in cash and cash equivalents		<u>(1,335,952)</u>		<u>8,527,886</u>	
Cash and cash equivalents at beginning of year		1,893,532		(6,634,354)	
Cash and cash equivalents at end of year		<u><u>557,580</u></u>		<u><u>1,893,532</u></u>	

1	Accounting policies							
1.1	Accounting convention	<p>These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.</p> <p>The financial statements have been prepared under the historical cost convention, modified to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.</p>						
1.2	Turnover	<p>Turnover derived from the operation of residential care homes for the elderly is recognised according to dates of occupancy and is exempt from value added tax.</p>						
1.3	Tangible fixed assets	<p>Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.</p>						
		<p>Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:</p>						
		<table><tr><td>Freehold land and buildings</td><td>Not depreciated</td></tr><tr><td>Fixtures, fittings & equipment</td><td>25% straight line</td></tr><tr><td>Motor vehicles</td><td>20% straight line</td></tr></table>	Freehold land and buildings	Not depreciated	Fixtures, fittings & equipment	25% straight line	Motor vehicles	20% straight line
Freehold land and buildings	Not depreciated							
Fixtures, fittings & equipment	25% straight line							
Motor vehicles	20% straight line							
		<p>The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.</p>						
1.4	Investment properties	<p>Depreciation is not provided on freehold interests in properties where the directors are of the opinion that the properties concerned are sufficiently well maintained to ensure that their residual values are not materially less than cost. No depreciation is provided on freehold land.</p>						
		<p>Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.</p>						
		<p>Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.</p>						
1.5	Fixed asset investments	<p>Interests in associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.</p> <p>An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.</p>						

COLLEYCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs of sale.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided at the appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is reasonable profitability that a liability or asset will crystallise in the foreseeable future.

COLLEYCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The pension costs charged in the financial statements represent the contributions payable by the company during the year.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom.

4 Operating profit

	2017	2016
Operating profit for the year is stated after charging/(crediting):	£	£
Depreciation of owned tangible fixed assets	419,519	183,150
Loss/(profit) on disposal of tangible fixed assets	910	(870)
Cost of stocks recognised as an expense	(9,453)	(9,324)
	<u> </u>	<u> </u>

5 Auditor's remuneration

	2017	2016
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	21,840	21,198
	<u> </u>	<u> </u>
For other services		
All other non-audit services	10,472	15,053
	<u> </u>	<u> </u>

COLLEYCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Care and administrative	867	735

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	14,146,803	10,758,507
Social security costs	1,071,028	752,103
Pension costs	67,359	43,209
	15,285,190	11,553,819

7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	801,368	375,000

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	676,365	375,000

8 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	1,307	8,472
Other interest income	29,745	31,370
Total income	31,052	39,842

COLLEYCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

9 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank overdrafts and loans	595,830	325,844

10 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	1,707,541	1,656,483
Deferred tax		
Origination and reversal of timing differences	(21,300)	(13,260)
Total tax charge	1,686,241	1,643,223

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	9,363,691	9,089,308
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	1,825,920	1,817,862
Tax effect of expenses that are not deductible in determining taxable profit	7,356	7,252
Effect of change in corporation tax rate	(129)	-
Permanent capital allowances in excess of depreciation	(125,606)	(168,631)
Deferred tax on timing difference	(21,300)	(13,260)
Taxation for the year	1,686,241	1,643,223

11 Dividends

	2017	2016
	£	£
Interim paid	-	9,000,000

COLLEYCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

12 Tangible fixed assets

	Freehold land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 October 2016	54,977,729	2,081,141	93,433	57,152,303
Additions	12,694,937	981,824	220,892	13,897,653
Disposals	-	-	(910)	(910)
At 30 September 2017	67,672,666	3,062,965	313,415	71,049,046
Depreciation and impairment				
At 1 October 2016	-	1,876,644	63,117	1,939,761
Depreciation charged in the year	-	366,075	53,444	419,519
At 30 September 2017	-	2,242,719	116,561	2,359,280
Carrying amount				
At 30 September 2017	67,672,666	820,246	196,854	68,689,766
At 30 September 2016	54,977,729	204,497	30,316	55,212,542

13 Investment property

	2017 £
Fair value	
At 1 October 2016 and 30 September 2017	563,165

The investment properties were valued as at 30 September 2017 by the directors on an open market basis. No depreciation is provided in respect of these properties. The fair value has not been based on an independent valuation.

14 Fixed asset investments

	Notes	2017 £	2016 £
Investments in associates	15	5,027,738	4,376,724

COLLEYCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

14 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings and participating interests £
Cost or valuation	
At 1 October 2016	4,376,724
Additions	651,014
	<hr/>
At 30 September 2017	5,027,738
	<hr/>
Carrying amount	
At 30 September 2017	5,027,738
	<hr/>
At 30 September 2016	4,376,724
	<hr/>

15 Associates

Details of the company's associates at 30 September 2017 are as follows:

Name of undertaking	Registered office	Nature of business	% Held Direct
B & M Hemel LLP	England and Wales	Operation of residential care and nursing homes for the elderly	33

The company is one of three designated members of B & M Hemel LLP. The investment in associate is accounted for using the equity method.

16 Stocks

	2017 £	2016 £
Finished goods and goods for resale	36,693	27,239
	<hr/>	<hr/>

COLLEYCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

17 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	281,952	340,802
Amounts due from group undertakings	12,178,127	7,134,793
Other debtors	24,985	14,037
Prepayments and accrued income	385,630	290,066
	<u>12,870,694</u>	<u>7,779,698</u>
Deferred tax asset (note 21)	81,457	60,157
	<u>12,952,151</u>	<u>7,839,855</u>

	2017	2016
	£	£
Amounts falling due after more than one year:		
Other debtors	<u>2,091,361</u>	<u>2,091,361</u>
Total debtors	<u>15,043,512</u>	<u>9,931,216</u>

18 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	170,162	184,372
Amounts due to group undertakings	3,737	3,737
Corporation tax	732,323	799,067
Other taxation and social security	277,664	202,132
Other creditors	419,045	461,190
Accruals and deferred income	1,472,560	1,199,407
	<u>3,075,491</u>	<u>2,849,905</u>

19 Creditors: amounts falling due after more than one year

	Notes	2017	2016
		£	£
Bank loans and overdrafts	20	<u>27,967,000</u>	<u>17,956,000</u>

COLLEYCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

20 Loans and overdrafts

	2017	2016
	£	£
Bank loans	27,967,000	17,956,000
	<u> </u>	<u> </u>
Payable after one year	27,967,000	17,956,000
	<u> </u>	<u> </u>

The bank loans and overdrafts totalling £27,967,000 (2016: £17,956,000) are secured by charges on certain of the freehold properties, floating charges over the assets of the company and cross-guaranteed by the holding company, B&M Care Group Limited and fellow group companies.

The gross bank loan, before deducting future arrangement costs in accordance with FRS102 of £33,000 (2016: £44,000) was £28,000,000 (2016: £18,000,000). The loan bears interest at 2.05% over bank base rate and is repayable by March 2020.

The directors consider that the carrying amounts of the bank loan and bank overdraft approximate their fair value.

21 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets	Assets
	2017	2016
	£	£
Balances:		
Accelerated capital allowances	81,457	60,157
	<u> </u>	<u> </u>
Movements in the year:		2017
		£
Liability/(Asset) at 1 October 2016		(60,157)
Credit to profit or loss		(21,300)
		<u> </u>
Liability/(Asset) at 30 September 2017		(81,457)
		<u> </u>

COLLEYCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

22 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	67,359	43,209

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of of £1 each	100	100

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	1,165,369	428,577

There was a cross guarantee between B & M Investments Limited, Maynecol Limited and The Fledglings Nursery Limited.

The company has taken advantage of the exemption available in accordance with FRS 102 Section 33 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company and the other subsidiaries are wholly owned subsidiary undertakings of the group to which they are party to the transactions.

A director has a material interest in B & M Executive Pension Scheme as a member. At the year end, the company provided loans of £2,091,361 (2016: £2,091,361) to the scheme. Interest receivable on these loans amounted to £29,745 (2016: £31,370). During the year, rents totalling £68,577 (2016: £Nil) were payable to the scheme in respect of the company offices.

Colleycare Limited has given security for a bank loan of £6,295,807 (2016: £7,222,263) obtained by B & M Hemel LLP.

During the year the company paid £13,125 (2016: £Nil) to the son of a director, for administration services.

COLLEYCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

25 Controlling party

B & M Care Group Limited is the parent company, whose registered office address is 70-82 Queensway, Hemel Hempstead, Hertfordshire, HP2 5HD. The accounts are available from the company's registered office.

Mr Hughes controls B & M Care Group Limited by virtue of him holding 100% of voting share capital. This has remained unchanged since last year.

26 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	7,677,450	7,446,085
Adjustments for:		
Share of results of associates and joint ventures	(651,014)	256,724
Taxation charged	1,686,241	1,643,223
Finance costs	595,830	325,844
Investment income	(31,052)	(39,842)
Loss/(gain) on disposal of tangible fixed assets	910	(870)
Depreciation and impairment of tangible fixed assets	419,519	183,150
Movements in working capital:		
(Increase) in stocks	(9,454)	(9,324)
(Increase)/decrease in debtors	(5,090,996)	3,222,348
Increase in creditors	292,330	491,974
Cash generated from operations	4,889,764	13,005,864

27 Company information

Colleycare Limited is a private company limited by shares incorporated in England and Wales. The registered office and principal place of business is Old Town Court, 70 Queensway, Hemel Hempstead, Hertfordshire, HP2 5HD.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.