Care UK Mental Health Partnerships Limited

Directors' report and financial statements
For the year ended 30 September 2013
Registered number 01833385

Contents

Company Information

Directors
M R Parish
P J Humphreys
A J Rose-Quirie
C R Brown

Secretary
J D Calow

Auditors
KPMG Audit Plc
6 Lower Brook Street
Ipswich
Suffolk
IP4 1AP

Registered Office
Connaught House
850 The Crescent
Colchester Business Park
Colchester
CO4 9QB

Registered number
01833385

Strategic Report

The company's strategy is to continue to grow both organically and through acquisition where market consolidation opportunities make this cost effective

On 1 November 2012 the trade and assets of Nexvale Limited, a subsidiary of the company, were transferred to the company at a net book value of £1,343,000

The Key Performance Indicators (KPIs) used by the company to measure financial performance are revenue, operating profit, operating profit margin, bed numbers and occupancy Revenue has increased by 32% from the previous year Operating profit for the year amounted to £1,898,000 *(2012 £1,160,000)* The operating profit margin increased year on year from 7 9% to 9 7% Total bed numbers at the year end were 279 *(2012 257)*

The main financial risk in the business relates to the level of financial occupancy achieved in the non-block contracted services which comprise 80% *(2012 74%)* of total beds in the business at the year end The company achieved an average financial occupancy across all of its beds of 77% in the year *(2012 87%)* which was affected by recently opened services which have yet to reach a mature level of operation

By order of the board

C R Brown
Director

Connaught House
850 The Crescent
Colchester Business Park
Colchester
CO4 9QB
28 May 2014

Directors' Report

The directors present their report and financial statements for the year ended 30 September 2013

Principal activities
The company operates a range of residential mental health services including independent hospitals and homes specifically designed to build users' independence and support community living The company also operates a number of specialist facilities for individuals living with eating disorders or who are prone to self harm

Dividend
No interim dividend was paid in respect of the current year *(2012 £nil)* The directors do not recommend a final ordinary dividend to be paid in respect of the current year *(2012 £nil)*

Directors
The directors who served during the year were as follows

M R Parish
P J Humphreys
A J Rose-Quirie
C R Brown

Employees
It is group policy to give fair consideration to the employment needs of disabled people to comply with current legislation with regard to disabled persons and, wherever practicable, to continue to employ and promote the careers of existing employees who become disabled and to consider disabled persons for employment, subsequent training, career development and promotion on the basis of their aptitude and abilities

Employees *(continued)*
Management regularly visit local offices and discuss matters of current interest and concern to the business with members of staff

Management have developed a series of internal communications tools, including e-mail notices, newsletters and 'cascade' briefings in order to keep employees informed regarding the progress, financial position and commercial issues of the Care UK group

Political and charitable donations
The company made no political or charitable donations during the year *(2012 £nil)*

Statement on payment of suppliers
The company does not follow a specific code or statement on payment practice However, it is the company's policy to pay its suppliers in accordance with the payment terms agreed at the outset of the relationship providing the supplier adheres to its obligations

Disclosure of information to auditor
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information

Directors' Report *(continued)*

Auditor
Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the board

C R Brown
Director

Connaught House
850 The Crescent
Colchester Business Park
Colchester
CO4 9QB
28 May 2014

Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK 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 judgments and 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, and
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Independent auditor's report
to the members of Care UK Mental Health Partnerships Limited

We have audited the financial statements of Care UK Mental Health Partnerships Limited for the year ended 30 September 2013 set out on pages 8 to 21 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 auditors' 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 auditor
As explained more fully in the Directors' Responsibilities Statement set out on page 6, 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 Auditing Practices Board'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 Financial Reporting Council's web-site 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 2013 and of its profit for the year then ended
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006
In our opinion 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

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

S Beavis
Stephanie Beavis (Senior Statutory Auditor)
for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants
6 Lower Brook Street
Ipswich
IP4 1AP

28 May 2014

Profit and Loss Account
For the year ended 30 September 2013

	Note	**2013** **£000**	2012 £000
Turnover	2	**19,497**	14,753
Cost of sales		**(13,098)**	(9,497)
Gross profit		**6,399**	5,256
Administrative expenses		**(4,501)**	(4,096)
Operating profit		**1,898**	1,160
Income from shares in group undertakings		**1,884**	2,923
Interest receivable		**340**	184
Interest payable and similar charges	3	**(2,428)**	(1,798)
Profit on ordinary activities before taxation	6	**1,694**	2,469
Tax on profit on ordinary activities	7	**(29)**	40
Profit for the financial year		**1,665**	2,509

All results derive from continuing activities

The company has no recognised gains or losses other than the profit for the above year

There were no material differences between the result as disclosed in the profit and loss account and that given by an unmodified historical cost basis during the current year

The notes on pages 10 to 21 form an integral part of these financial statements

Balance Sheet
As at 30 September 2013

	Note	2013 £000	2013 £000	2012 £000	2012 £000
Fixed assets					
Intangible assets	8		**11,961**		6,149
Tangible assets	9		**25,504**		20,826
Investments	10		**5,611**		6,722
			43,076		33,697
Current assets					
Stocks	11	**307**		1,406	
Debtors	12	**2,955**		1,534	
Cash at bank and in hand		**2,202**		2,075	
		5,464		5,015	
Creditors. amounts falling due within one year	13	**(3,043)**		(7,372)	
Net current assets/(liabilities)			**2,421**		(2,357)
Total assets less current liabilities			**45,497**		31,340
Creditors: amounts falling due after more than one year	14		**(40,203)**		(27,534)
Provisions for liabilities and charges					
Deferred taxation	15		**(98)**		(275)
Net assets			**5,196**		3,531
Capital and reserves					
Called up share capital	16		**-**		-
Profit and loss account	17		**5,196**		3,531
Shareholders' funds	18		**5,196**		3,531

The notes on pages 10 to 21 form an integral part of these financial statements

These financial statements were approved by the board of directors on 28 May 2014 and were signed on its behalf by

C R Brown
Director

Company registration number 01833385

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

Basis of preparation
The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Care UK Limited and its cash flows are included within the consolidated cash flow statement of that company

The company is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006 These financial statements present information about the Company as an individual undertaking and not about its group

As the company is a wholly owned subsidiary of Care UK Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard No 8 and has therefore not disclosed transactions or balances with entities which form part of the group The consolidated financial statements of Care UK Limited, within which this company is included, can be obtained from the address given in note 23

Going concern
The company's business activities, together with the factors likely to affect its future development and position, are set out in the Strategic Report on page 3 The company has access to funds provided by Care UK Limited, a parent company The directors, having assessed the responses of the directors of Care UK Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Care UK group to continue as a going concern On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Care UK Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Investments
Investments in subsidiary undertakings are stated at cost less provisions for impairments

Goodwill
Purchased goodwill arises on acquisitions and is the difference between the fair value of the purchase consideration and associated costs and the fair values attributable to the net assets acquired In accordance with FRS 10, the goodwill arising on acquisitions completed on or after 1 October 1998 is capitalised as an intangible fixed asset and amortised over its estimated useful life, which will not exceed 20 years Goodwill arising on acquisitions prior to this date was taken directly to reserves in the year of acquisition On the disposal of businesses, any unamortised goodwill in the balance sheet or goodwill previously taken to reserves in respect of such business is charged against the disposal in the profit and loss account

In the year ended 30 September 2013 the trade and net assets of a subsidiary undertaking were transferred to the company at their book value As a result of this transfer, the excess value of the company's investment in the subsidiary undertaking over their remaining net assets has been reallocated to goodwill (see note 8)

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Fixed assets
Freehold and long leasehold land and buildings are carried in the financial statements at cost Assets in the course of construction are carried in the financial statements at cost, taken from the most recent valuation certificate received prior to the date of the financial statements

The cost of land and buildings includes both the costs of financing assets in the course of construction and other costs that are directly attributable to bringing the asset into working condition for its intended use Capitalisation of finance and other costs ceases at the date the asset is fully capable of providing the service for which it has been constructed

Depreciation is provided to write off the cost, less estimated residual values, of fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold land	No depreciation provided
Freehold buildings	5 to 50 years
Fixtures, fittings, and equipment	3 to 10 years

Stocks
Stocks are valued at the lower of cost and net realisable value

Taxation
The charge for taxation is based on the profit for the year and takes into account deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Pensions
The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the group in independently administered managed funds Contributions to defined contribution personal pension schemes are charged to the profit and loss account in the year in which they become payable

The company also participates in a group pension scheme providing benefits based on final pensionable pay The assets of the scheme are held separately from those of the company being invested with insurance companies Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company

Because the company is unable to identify its share of the group scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits' the scheme is accounted for by the company as if the scheme was a defined contribution scheme Further information is available in the Care UK Limited group financial statements

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Leasing
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease

2 Turnover

Turnover represents sales and services to third party customers in the health and social care sector, stated net of any applicable value added tax Turnover is recognised when services are provided

3 Interest payable

	2013	2012
	£000	£000
Interest payable to group undertakings	**2,428**	1,798

4 Directors' emoluments

	2013	2012
	£000	£000
Total emoluments	**326**	309

Total emoluments above include all amounts payable to A J Rose-Quirie and C R Brown The highest paid director during the year received £208,000 *(2012 £198,000)*

The emoluments of M R Parish and P J Humphreys are disclosed in the financial statements of Care UK Limited

Retirement benefits under money purchase pension schemes are accruing to 3 directors *(2012 3)*

Notes to the financial statements *(continued)*

5 Staff numbers and cost

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2013	2012
Care staff	**363**	334
Management and administration	**106**	65
	469	399

The aggregate payroll costs of these persons were as follows

	2013	2012
	£000	£000
Wages and salaries	**9,742**	7,654
Social security costs	**878**	680
Other pension costs	**102**	72
	10,722	8,406

6 Profit on ordinary activities before taxation

	2013	2012
	£000	£000
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Auditor's remuneration in respect of the audit of these financial statements	**10**	30
Depreciation of owned tangible fixed assets	**735**	608
Loss/(Profit) on disposal of assets held for resale	**66**	(26)
Amortisation of intangible assets	**795**	391
Rentals payable under operating leases		
Land and buildings	**23**	33

Notes to the financial statements *(continued)*

7 Taxation

	2013 **£000**	2012 £000
UK corporation tax at 23 5% *(2012 25%)*	**119**	45
Adjustments in respect of prior periods	**90**	(45)
	209	-
Deferred tax		
Origination and reversal of timing differences	**(66)**	95
Effect of decreased tax rate on opening liability	**(36)**	(25)
Adjustments in respect of prior periods	**(78)**	(110)
Tax on profit on ordinary activities	**29**	(40)

Current tax reconciliation

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows

	2013 **£000**	2012 £000
Profit on ordinary activities before tax	**1,694**	2,469
Profit on ordinary activities multiplied by the standard rate of corporation tax 23 5% *(2012 25%)*	**398**	617
Effects of		
Capital allowances for the period less than depreciation	**173**	18
Goodwill amortisation	**19**	98
Expenses not deductible for tax purposes	**24**	66
Capitalised revenue expenditure allowable on accounts basis	**-**	(14)
Capitalised revenue expenditure	**(14)**	(8)
Loss on disposal of assets held for sale	**-**	(7)
Non-taxable dividend income	**(437)**	(731)
Capitalised interest	**(44)**	(37)
Dilapidation provisions utilised	**-**	(44)
Group relief	**-**	42
Amounts arising from hive up	**-**	45
Adjustments in respect of prior periods	**90**	(45)
Current tax charge for year	**209**	-

Notes to the financial statements *(continued)*

7 Taxation *(continued)*

Factors that may affect future tax charges

On 20 March 2013 the Chancellor announced that the main rate of UK corporation tax will reduce from 23 per cent to 21 per cent with effect from 1 April 2014, and that the main rate will further reduce to 20% from 1 April 2015 These tax changes became substantively enacted on 2 July 2013 and therefore the effect of the rate reductions on the deferred tax balances as at 30 September 2013 have been included in the figures above

8 Intangible assets

	Total £000
Cost	
At 1 October 2012	7,640
Amounts arising from hive up (see note 10)	6,607
At 30 September 2013	**14,247**
Accumulated amortisation and provision for impairment	
At 1 October 2012	1,491
Amortisation charge for year	795
At 30 September 2013	**2,286**
Net book value	
At 30 September 2013	**11,961**
At 1 October 2012	6,149

Intangible assets represent purchase goodwill related to acquisitions completed on or after 1 October 1998

In the year ended 30 September 2013 the trade and net assets of a subsidiary undertaking (see note 10) were transferred to the company at their book value The cost of the company's investment in the subsidiary undertaking reflected the underlying fair value of their net assets at the time of acquisition As a result of this transfer, the value of the company's investment in those subsidiary undertakings fell below the amount at which they were stated in the company's accounting records The Companies Act 2006 requires that the investments be written down accordingly and that the amount be charged as a loss in the company's profit and loss account

However, the directors consider that as there has been no overall loss to the company it would fail to give a true and fair view to charge that diminution to the company's profit and loss account for the year and it should instead be reallocated to goodwill so as to recognise in the company's individual balance sheet the effective cost to the company of those assets This departure has no impact on the company's profit for the financial year other than to increase the amortisation charge by £303,000

Notes to the financial statements *(continued)*

9 Tangible fixed assets

	Land and buildings £000	Fixtures, fittings and equipment £000	Assets in course of construction £000	Total £000
Cost				
At 1 October 2012	19,000	4,015	2,055	25,070
Additions	257	649	3,094	4,000
Transfer to/from AICC	3,747	286	(4,033)	-
Transfers from fellow group subsidiaries	1,370	540	-	1,910
At 30 September 2013	**24,374**	**5,490**	**1,116**	**30,980**
Depreciation				
At 1 October 2012	1,632	2,612	-	4,244
Charge for year	327	408	-	735
Transfers from fellow group subsidiaries	64	433	-	497
At 30 September 2013	**2,023**	**3,453**	-	**5,476**
Net book value				
At 30 September 2013	**22,351**	**2,037**	**1,116**	**25,504**
At 1 October 2012	17,368	1,403	2,055	20,826

Land and buildings include depreciable assets with an original cost of £15,016,000 *(2012 £11,536,000)* and capitalised interest of £595,000 *(2012 £409,000)*

10 Investments

	Investment in subsidiary undertaking £000
Cost and Net book value	
At 1 October 2012	6,722
Amounts arising from hive up (see note below)	(6,722)
At 30 September 2013	-

On 1 November 2012, the trade and assets of a subsidiary company, Nexvale Limited, were transferred into the company at net book value of £1,343,000 As a result of the transfer, the excess of the investment held in the subsidiary over the remaining net assets has been transferred to Goodwill (see note 8)

Notes to the financial statements *(continued)*

10 Investments *(continued)*

	Investment in joint ventures £000
Cost and Net book value	
At 1 October 2012	-
Additions	5,611
At 30 September 2013	**5,611**

The investment in joint ventures comprises an equity investment of £1,403,000 and a loan of £4,208,000

The company formed a joint venture company called Recovery and Rehabilitation Partnership Limited with Sussex Partnership NHS Foundation Trust on 21 December 2012 The company and Sussex Partnership NHS Foundation Trust each own 50% of the ordinary share capital of the joint venture company and each have equal voting rights

Care UK - Trent Mental Health Partnerships Limited, a joint venture company between the company and Trent Psychological Therapy Services Limited (formerly called Trent CBT Services Limited) ceased trading on 30 April 2013 and is dormant The company and Trent Psychological Therapy Services Limited each own 50% of the ordinary share capital of the joint venture company and each have equal voting rights

11 Stocks

	2013 £000	2012 £000
Raw materials and consumables	**7**	6
Assets held for resale	**300**	1,400
	307	1,406

12 Debtors

	2013 £000	2012 £000
Trade debtors	**1,391**	214
Amounts owed by group undertakings	**792**	980
Other debtors	**279**	183
Prepayments and accrued income	**493**	157
	2,955	1,534

Notes to the financial statements *(continued)*

13 Creditors. amounts falling due within one year

	2013 £000	2012 £000
Trade creditors	**664**	195
Amounts owed to group undertakings	**897**	100
Other taxes and social security costs	**258**	259
Corporation tax	**-**	45
Other creditors, accruals and deferred income	**1,224**	1,273
Deferred consideration	**-**	5,500
	3,043	7,372

The amounts owed to group undertakings are unsecured, repayable on demand and carry no interest charge

14 Creditors· amounts falling due after more than one year

	2013 £000	2012 £000
Amounts owed to group undertakings	**40,203**	27,534

The amounts owed to group undertakings bear interest at the fixed rate of 7 5% *(2012 7 5%)* The loan is unsecured The amounts advanced are repayable in full by 30 September 2020 The company may, at its discretion, make repayments on account of the principal amounts outstanding

15 Deferred taxation

	2013 £000	2012 £000
Accelerated capital allowances	**98**	159
Other short term timing differences	**-**	116
Undiscounted deferred tax provision	**98**	275
At 1 October	**275**	309
(Credited)/charged to profit and loss account – current year	**(66)**	95
Credited to profit and loss account – prior year	**(78)**	(110)
Effect of decreased tax rate on opening liability	**(36)**	(25)
Movement arising from the acquisition of businesses	**3**	6
At 30 September	**98**	275

Notes to the financial statements *(continued)*

15 Deferred taxation *(continued)*

On 20 March 2013 the Chancellor announced that the main rate of UK corporation tax will reduce from 23 per cent to 21 per cent with effect from 1 April 2014, and that the main rate will further reduce to 20% from 1 April 2015 These tax changes became substantively enacted on 2 July 2013 and therefore the effect of the rate reductions on the deferred tax balances as at 30 September 2013 have been included in the figures above

16 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
100 *(2012 100)* ordinary shares of £1 each	**100**	100

17 Profit and loss account

	2013 £000	2012 £000
At beginning of the year	**3,531**	1,022
Profit for the financial year	**1,665**	2,509
At end of the year	**5,196**	3,531

18 Reconciliation of movement in shareholders' funds

	2013 £000	2012 £000
At beginning of the year	**3,531**	1,022
Profit for the financial year	**1,665**	2,509
At end of the year	**5,196**	3,531

19 Commitments under operating leases

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2013 £000	Land and buildings 2012 £000
Operating leases which expire		
Between one and five years	**12**	-
After more than five years	**-**	12

Notes to the financial statements *(continued)*

20 Capital commitments

	2013	2012
	£000	£000
Contracted for, but not provided	**596**	1,725

21 Pension commitments

a) *Defined contribution scheme*
The Care UK Limited group has an HM Revenue & Customs approved defined contributions group pension plan Contributions to this scheme are charged to the profit and loss account evenly throughout the year The assets of the scheme are held separately from those of the group in an independently administered fund The pension cost for the year represents contributions payable by the company to the fund and amounted to £102,000 *(2012 £72,000)*

b) *Defined benefit scheme*
The company also participates in a group pension scheme providing benefits based on final pensionable pay, the Care UK LG pension scheme The assets of the scheme are held separately from those of the company being invested with insurance companies Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company

Because the company is unable to identify its share of the group scheme assets and liabilities on a consistent and reasonable, as permitted by FRS 17 'Retirement benefits' the scheme will be accounted for by the company as if the scheme was a defined contribution scheme

The latest full actuarial valuation was carried out at 1 April 2012 Further information is available in the Care UK Limited group financial statements

22 Contingent Liabilities

The company has an unsecured loan from its immediate parent undertaking, Care UK Limited The loan is repayable by the borrower in full by 30 September 2020 Interest is payable on the amount of the advance outstanding at a rate of 7 5%

In addition the company is a guarantor to the funding arrangements disclosed in the financial statements of Care UK Health and Social Care Investments Limited - please refer to those financial statements for full details, a brief summary of which is given below

i) Senior Secured Notes

In July 2010 Care UK Health & Social Care Plc (the Issuer) issued £250 million 9¾% Senior Secured Notes In November 2012 Care UK Health & Social Care Plc issued an additional £75 million 9¾% Senior Secured Notes bringing the total in issue to £325 million The proceeds of this additional issue were partially used to repay Super Senior Revolving Credit Facility ("RCF") borrowings of £49 4 million with the remainder being held in the group for future investment requirements Interest is payable semi-annually in arrears on 1 February and 1 August

Notes to the financial statements *(continued)*

22 Contingent Liabilities *(continued)*

The Senior Secured Notes will mature on 1 August 2017 Prior to 1 August 2014, the Senior Secured Notes may be redeemed in whole or in part at any time by paying a "make-whole" premium The Senior Secured Notes may be redeemed in whole or in part at any time on or after 1 August 2014 at the redemption prices set forth in the Offering Memorandum The Issuer may redeem all of the Senior Secured Notes, at any time, at a price equal to their principal amount plus accrued and unpaid interest, if any, upon the occurrence of certain changes in applicable tax law If the Issuer sells certain of its assets in some circumstances or experiences a specific kind of change in control, it may be required to offer to repurchase the Senior Secured Notes at a redemption price equal to 100% or 101%, respectively, of the principal amount thereof plus accrued and unpaid interest, if any, to the date of redemption

The Senior Secured Notes are guaranteed on a senior secured basis by each of Care UK Health & Social Care Investments Limited, Care UK Limited, and certain of the Issuer's other operating subsidiaries

ii) Super Senior Revolving Credit Facility

As at 30 September 2013 the group had an £115 million Super Senior Revolving Credit Facility (the "RCF"), which expires on 13 July 2016 The margin payable on the outstanding loan is in the range of 2 5% to 4 0% above LIBOR plus any mandatory costs depending on the total net leverage of the group Each utilisation under the facility is repayable and capable of being redrawn at the end of each interest period The final repayment date is 13 July 2016

As at 30 September 2013, £46 5m *(2012 £11 9m)* of the RCF has been utilised as cash drawings The remainder of the facility remained undrawn, with the exception of £9 4m *(2012 £14 6m)* utilised in relation to performance bonds and £0 5m *(2012 £0 5m)* in relation to other ancillary utilisations

23 Ultimate Parent and Controlling Party

The company is a wholly owned subsidiary of Care UK Limited, which is registered in England and Wales

The company's ultimate parent company and controlling party is Care UK Health and Social Care Holdings Limited, which is registered in England and Wales and prepares group financial statements

Copies of the financial statements of Care UK Health and Social Care Holdings Limited, which include the consolidated results of this company, are available from its registered office at Connaught House, 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9QB