

Heddfan Care Limited

Annual report and financial statements  
for the year ended 31 December 2010

Registered number 2928647



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# **Heddfan Care Limited**

## **Annual report and financial statements for the year ended 31 December 2010**

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# **Heddfan Care Limited**

## **Directors and advisors**

### **Executive Directors**

David Manson  
Sarah Hughes  
Philip Scott  
Jason Lock  
Matthew Franzidis

### **Company secretary**

David Hall  
Craegmoor House  
Perdiswell Park  
Worcester  
WR3 7NW

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

### **Solicitors**

Pinsent Masons  
3 Colmore Circus  
Birmingham  
B4 6BH

DLA Piper (UK) Solicitors LLP  
3 Noble Street  
London  
EC2V 7EE

### **Registered Office**

Craegmoor House  
Perdiswell Park  
Worcester  
WR3 7NW

### **Bankers**

Barclays Bank  
1 Churchill Place  
London  
E14 5HP

Allied Irish Banks Plc  
St Helen's  
1 Undershaft  
London  
EC3A 8AB

# **Heddfan Care Limited**

## **Directors' report for the year ended 31 December 2010**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2010

### **Principal activities**

The principal activity of the Company continues to be care delivery

### **Review of business and future developments**

Both the level of continuing business and the year end position were satisfactory and the Directors expect that the present level of activity will be sustained for the foreseeable future. The Directors of Craegmoor Group Limited, which is now owned by Priory Investments Holdings Limited, a company registered in the Cayman Islands, manage the Group's operations on a group-wide basis. For this reason, the Directors of the Company believe a separate business review and future developments summary for the Company is not relevant for an understanding of the business and future strategy. The business review and future developments of the Craegmoor Group Limited group, which includes the Company, are discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2010 which does not form part of this report.

### **Results and dividends**

The profit and loss account shows a profit after tax for the year of £238,000 (2009 £321,000). The Directors do not recommend the payment of a dividend for the year ended 31 December 2010 (2009 £Nil).

### **Post balance sheet event**

On 14 April 2011, the entire share capital of Craegmoor Group Limited, the Company's ultimate parent company, was acquired by Crown Newco 1 Limited. Subsequently the shares were transferred to Priory Investments Holdings Limited, a subsidiary undertaking of Crown Newco 1 Limited.

### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Craegmoor Group Limited, a subsidiary of Priory Investments Holdings Limited, and are not managed separately. Accordingly, the principal risks and uncertainties of the Craegmoor Group Limited group ("the Group"), which include those of the Company, are discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2010.

### **Key Performance Indicators ("KPIs")**

The directors of Craegmoor Group Limited, a subsidiary of Priory Investments Holdings Limited, manage the Group's operations on a group-wide basis. For this reason, the Directors of the Company believe that analysis using separate key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Craegmoor Group Limited group, which includes the Company, is discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2010.

### **Directors**

The following Directors have held office for the whole year and up to the date of signing the financial statements unless otherwise stated:

Christine Cameron	(Resigned 14 April 2011)
David Manson	
Ted Smith	(Resigned 14 April 2011)
Sarah Hughes	
Julian Ball	(Resigned 14 April 2011)
Philip Scott	(Appointed 14 April 2011)
Jason Lock	(Appointed 14 April 2011)
Matthew Franzidis	(Appointed 14 April 2011)

### **Changes in tangible assets**

Movements in tangible assets during the year are set out in note 6 to the financial statements. The Directors believe that there is no significant difference between the market value and the balance sheet value of land

# **Heddfan Care Limited**

## **Directors' report for the year ended 31 December 2010 (continued)**

### **Financial instruments**

The Company's financial instruments primarily comprise debtors and creditors with other group companies arising directly from its operations. No trading in financial instruments has been undertaken.

There are no significant risks arising directly from the Company's financial instruments. However, the Company is reliant on the ongoing support of the Group, which had long term financing and overdraft facilities in place. The board of Craegmoor Group Limited, the ultimate UK parent undertaking at 31 December 2010, had reviewed and agreed the policies for managing the risks related to these facilities as set out below.

#### *Liquidity risk*

The Group had secured long term financing and revolving credit facilities with financial institutions, which had high credit ratings that were designed to ensure the Group had sufficient available funds for operations. The majority of the £244,742,000 (2009 £215,938,000) of debt, in the form of loan notes and bank loans (but excluding finance leases and preference shares), was repayable in 2016 to 2018.

#### *Interest rate and cash flow risk*

The Group had entered into interest rate swaps to ensure certainty over future interest cash flows. As a consequence, 91% (2009 100%) of the Group's borrowings (excluding preference shares) were at fixed rates of interest.

#### *Credit risk*

A fellow subsidiary company, Craegmoor Facilities Company Limited, bears the credit risk for the Company.

Following the acquisition of the ultimate parent undertaking, Craegmoor Group Limited, by Crown Newco 1 Limited on 14 April 2011, revised arrangements are in the process of being put in place that manage the above risks.

### **Statement of 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

## **Heddfan Care Limited**

### **Directors' report for the year ended 31 December 2010 (continued)**

#### **Statement of disclosure of information to auditors**

In the case of each of the persons who are directors at the time when the report is approved the following applies

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he or she has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information

#### **Independent auditors**

The Company has elected, in accordance with section 487 of the Companies Act 2006, to dispense with the obligation to appoint auditors annually

By order of the Board

A handwritten signature in black ink, appearing to read 'D. Manson', followed by a horizontal line.

David Manson  
Director  
28 April 2011

## **Independent auditors' report to the members of Heddfan Care Limited**

We have audited the financial statements of Heddfan Care Limited for the year ended 31 December 2010 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Note of historical cost profit and losses, the Balance sheet 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).

### **Respective responsibilities of Directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

### **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 31 December 2010 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.

### **Opinion on other matter 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.

## **Independent auditors' report to the members of Heddfan Care Limited (continued)**

### **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



Mark L Smith (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
28 April 2011

## **Heddfan Care Limited**

### **Profit and loss account for the year ended 31 December 2010**

	Note	2010 £'000	2009 £'000
Turnover		1,326	1,309
Administrative expenses		(1,091)	(985)
Operating profit	4	235	324
Profit on ordinary activities before taxation		235	324
Tax on profit on ordinary activities	5	3	(3)
Profit for the financial year	12	238	321

All activities relate to continuing operations

## **Heddfan Care Limited**

### **Statement of total recognised gains and losses for the year ended 31 December 2010**

	Note	2010 £'000	2009 £'000
Profit for the financial year		238	321
Reversal of prior years' revaluations on impaired properties	6	(150)	-
<b>Total recognised gains and losses for the financial year</b>		<b>88</b>	<b>321</b>

### **Note of historical cost profit and losses for the year ended 31 December 2010**

	2010 £'000	2009 £'000
Reported profit on ordinary activities before taxation	235	324
Difference between historical cost depreciation charge and actual depreciation charge for the year calculated on the revalued amount	23	19
<b>Historical cost profit on ordinary activities before taxation</b>	<b>258</b>	<b>343</b>
<b>Historical cost profit for the financial year</b>	<b>261</b>	<b>340</b>

## Heddfan Care Limited

### Balance sheet as at 31 December 2010

	Note	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Tangible assets	6	3,154	3,295
<b>Current assets</b>			
Debtors	7	941	950
		941	950
Creditors amounts falling due within one year	8	-	(235)
<b>Net current assets</b>		941	715
<b>Total assets less current liabilities</b>		4,095	4,010
Creditors amounts falling due after more than one year	9	(140)	(140)
Provision for liabilities and charges	10	-	(3)
<b>Net assets</b>		3,955	3,867
<b>Capital and reserves</b>			
Called up share capital	11	-	-
Revaluation reserve	12	2,511	2,661
Profit and loss reserve	12	1,444	1,206
<b>Total shareholders' funds</b>	13	3,955	3,867

The financial statements on pages 7 to 18 were approved by the Board of Directors on 28 April 2011 and signed on its behalf by



David Manson  
Director  
Company registered number 2928647

# **Heddfan Care Limited**

## **Notes to the financial statements for the year ended 31 December 2010**

### **1 Principal accounting policies**

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible assets, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is set out below.

#### **Turnover**

Turnover represents amounts invoiced and accrued for care services provided during the year in the UK, net of credit notes and excluding Value Added Tax. Where services are invoiced in advance the related income is deferred to match the period in which the service is provided. The Directors consider that the Company's turnover all derives from one class of business.

#### **Tangible assets**

The cost of tangible assets is their purchase cost, and any costs directly attributable to bringing them into working condition for their intended use. Freehold land and buildings are revalued by independent, professionally qualified valuers every five years. These valuations are carried out on an existing use, open market value basis, and in the intervening years are updated by the Directors with the assistance of independent professional advice as required.

Increases in the revalued amounts of land and buildings are credited to revaluation reserves.

Freehold land is not depreciated. Subsequent to a revaluation depreciation is based on revalued amounts. Depreciation on tangible assets, other than land, is calculated to write off their cost, less estimated residual values, by equal annual instalments on the following bases:

Freehold buildings	- over 50 years
Building improvements	- over 10 years
Equipment	- over 7 years
Furniture and fittings	- over 3, 5 or 10 years
Computer equipment	- over 3 or 5 years

Provision is made for any impairment in the period in which it arises. The impairment is calculated by comparing the carrying value to the recoverable amount as required by FRS 11, "Impairment of fixed assets and goodwill". The recoverable amount of land and buildings is taken to be the higher of realisable value and value in use. Value in use is determined by reference to the expected future cash flows of the care home, discounted at a risk weighted cost of capital determined from time to time based on the capital structure of the group. Realisable value is determined by independent, professional valuers on an existing use, open market value basis.

Provisions for impairment in the carrying value of land and buildings are charged against revaluation reserves in the balance sheet to the extent that they relate to a reversal of prior increases. Impairments to below historical cost are charged to the profit and loss account. Reversals of previous impairments are credited to the profit and loss account to the extent that they return the asset carrying value to its depreciated historical cost, with any amount over and above that value being credited to the revaluation reserve.

#### **Operating leases**

Operating lease rentals are charged to the profit and loss account in equal annual instalments over the lease term.

#### **Corporation tax**

UK Corporation Tax is provided at amounts expecting to be paid (or recovered) using the tax rates and bases that have been enacted, or substantially enacted by the balance sheet date. Corporation tax payable may be reduced wholly or in part by the surrender of losses by fellow group companies. Payments made, if any, to surrendering companies for losses are reflected in the tax charge.

# Heddfan Care Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 1 Principal accounting policies (continued)

#### Deferred taxation

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is only recognised to the extent that the transfer of economic benefits in the future is deemed to be more likely than not. Deferred tax assets and liabilities recognised are not discounted.

#### Cash flow statement

The Company is a wholly owned subsidiary of Craegmoor Group Limited, and the cash flows of the Company are included in the consolidated group cash flow statement of that company. Consequently, the Company is exempt under the terms of FRS 1 (Revised 1996) from publishing a cash flow statement.

### 2 Directors' emoluments

The emoluments of the Directors were paid by Craegmoor Facilities Company Limited, a fellow subsidiary of Craegmoor Group Limited. The Directors were also directors of a number of other fellow subsidiaries during the year ended 31 December 2010 and 31 December 2009 and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the emoluments of the Directors are disclosed within the accounts of Craegmoor Facilities Company Limited.

### 3 Employee information

The below disclosures are in respect of employees that carried out work in connection with the Company's operations during the year. However, these persons are employed by a fellow subsidiary company. The average monthly number of persons (including Executive Directors) during the year was

	2010	2009
Analysis by function	Number	Number
Nursing	41	39
Ancillary	3	3
Administration	5	4
	49	46
	£'000	£'000
Staff costs (for the above persons)		
Management charge in lieu of staff costs	729	644

# Heddfan Care Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 4 Operating profit

	2010	2009
	£'000	£'000
<b>Operating profit is stated after charging:</b>		
Operating lease rentals – other	6	4
Depreciation of tangible assets	69	57
Management charge from fellow subsidiaries	1,015	924

The audit fee for the Company for the year ended 31 December 2010 of £1,500 (2009 £1,500) is borne by a fellow subsidiary company and included within the management charge

At 31 December 2010 the Company had a 28 day commitment for land and buildings under an non-cancellable operating lease

The management charges from fellow subsidiary undertakings, Craegmoor Facilities Company Limited and Craegmoor Healthcare Company Limited, relate to an allocation of operating costs incurred on behalf of the Company and its fellow subsidiaries

### 5 Tax on profit on ordinary activities

	2010	2009
	£'000	£'000
<b>Deferred taxation</b>		
Current year – origination and reversal of timing differences	10	13
Adjustment in respect of previous periods	(13)	(10)
Total deferred taxation	(3)	3
<b>Tax (credit) / charge</b>	<b>(3)</b>	<b>3</b>

During the year it was announced and substantively enacted that the UK corporation tax rate would reduce from 28% to 27% effective from 1 April 2011, the resulting deferred tax credit is £Nil and is included in the current year amount shown above. Subsequent to the balance sheet date it was announced that the UK corporation tax rate would reduce to 26% from 1 April 2011 however this change in tax rate was not substantively enacted at the balance sheet date and is therefore not included within the current year movement above. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 23 per cent by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The impact of the future proposed reductions in tax rate would not result in a material adjustment to the financial statements.

# Heddfan Care Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 5 Tax on profit on ordinary activities (continued)

There is no current tax charge for the year (2009 £Nil). The tax for the period differs from the standard effective rate of corporation tax in the UK for the year ended 31 December 2010 of 28% (2009 28%). The differences are explained below

	2010 £'000	2009 £'000
<b>Profit on ordinary activities before taxation</b>	<b>235</b>	<b>324</b>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	66	90
Effects of		
Expenses not deductible for tax purposes	18	15
Capital allowances in excess of depreciation	-	(12)
Short term timing differences	-	(1)
Transfer pricing adjustments and balancing payment	16	11
Group relief received not paid for	(100)	(103)
<b>Current tax charge</b>	<b>-</b>	<b>-</b>

#### Factors affecting current and future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property was sold without it being possible to claim rollover relief or utilise available losses. The total amount unprovided for at 27% is £678,000 (2009 £745,000 at 28%).

In accordance with the Group accounting policy a deferred tax asset has not been recognised due to the uncertainty over the recoverability of the following

	2010 £'000	2009 £'000
Accelerated capital allowances	9	-

A deferred tax asset would be recognised to the extent that the Company makes future taxable profits which could not be satisfied by group relief

## Heddfan Care Limited

### Notes to the financial statements for the year ended 31 December 2010 (continued)

#### 6 Tangible assets

	Freehold land and buildings £'000	Fixtures and fittings £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2010	3,130	340	3,470
Additions	-	78	78
Impairment (see below)	(104)	-	(104)
<b>At 31 December 2010</b>	<b>3,026</b>	<b>418</b>	<b>3,444</b>
<b>Accumulated depreciation</b>			
At 1 January 2010	72	103	175
Charge for the year	27	42	69
Impairment (see below)	46	-	46
<b>At 31 December 2010</b>	<b>145</b>	<b>145</b>	<b>290</b>
<b>Net book value</b>			
<b>At 31 December 2010</b>	<b>2,881</b>	<b>273</b>	<b>3,154</b>
At 31 December 2009	3,058	237	3,295

# Heddfan Care Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 6 Tangible assets (continued)

In accordance with FRS15 and the Craegmoor Group's accounting policy, the land and buildings occupied by the Company, were revalued by external valuers, Christie & Co Chartered Surveyors and Valuers, as at 18 July 2008, being the date the Craegmoor Group (No 5) Limited (formerly Craegmoor Limited) group was acquired by the Craegmoor Group Limited group. These valuations were carried out on the basis of existing use value in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors.

In accordance with accounting requirements, the entire portfolio will be revalued every five years, the next valuation being 18 July 2013, together with interim revaluations every three years.

The impact of these valuation techniques can be summarised as follows:

	2010 £'000	2009 £'000
<b>Directors valuations</b>		
(Value in use tests, look back tests and revisions to estimation techniques and external valuations)		
Impairments - charged to revaluation reserve	(150)	-
Included in statement of total recognised gains and losses	(150)	-

If freehold land and buildings had not been revalued they would have been included at the following amounts:

	2010 £'000	2009 £'000
Cost	638	638
Aggregate depreciation	(58)	(53)
<b>Net book value</b>	<b>580</b>	<b>585</b>

### 7 Debtors

	2010 £'000	2009 £'000
<b>Amounts falling due within one year</b>		
Amounts owed by group undertakings	941	950

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# Heddfan Care Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 8 Creditors: amounts falling due within one year

	2010	2009
	£'000	£'000
Amounts owed to group undertakings	-	235

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand

### 9 Creditors: amounts falling due after more than one year

	2010	2009
	£'000	£'000
Amounts owed to group undertakings	140	140

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. However, the relevant group undertaking has confirmed to the Directors of the Company that it will not seek any repayments of this loan within 12 months after the year-end

### 10 Provision for liabilities and charges

	Deferred tax	
	£'000	
At 1 January 2010		3
Credited to the profit and loss account (note 6)		(3)
At 31 December 2010		-
The amount provided for deferred taxation comprises:	2010	2009
	£'000	£'000
Accelerated capital allowances	-	8
Short term timing differences	-	(5)
	-	3

### 11 Called up share capital

	2010	2009
	£'000	£'000
<b>Authorised</b>		
100 (2009 100) ordinary shares of £1 each	-	-
<b>Issued and fully paid</b>		
100 (2009 100) ordinary shares of £1 each	-	-

# Heddfan Care Limited

## Notes to the financial statements for the year ended 31 December 2010 (continued)

### 12 Reserves

	Profit and loss reserve £'000	Revaluation reserve £'000
At 1 January 2010	1,206	2,661
Profit for the financial year	238	-
Reversal of prior years' revaluations on impaired properties	-	(150)
At 31 December 2010	1,444	2,511

### 13 Reconciliation of movements in total shareholders' funds

	2010 £'000	2009 £'000
Profit for the financial year	238	321
Reversal of prior years' revaluations on impaired properties	(150)	-
Net increase in total shareholders' funds	88	321
Opening total shareholders' funds	3,867	3,546
Closing total shareholders' funds	3,955	3,867

### 14 Post balance sheet events

On 14 April 2011, the entire share capital of Craegmoor Group Limited, the Company's ultimate parent company, was acquired by Crown Newco 1 Limited. Subsequently the shares were transferred to Priory Investments Holdings Limited, a subsidiary undertaking of Crown Newco 1 Limited.

### 15 Contingent liabilities

There is a fixed and floating charge over the assets of the Company and certain of its fellow subsidiaries in respect of an external loan undertaken by an intermediate parent undertaking. Amounts drawn down on the facility of £192,116,000 (2009 £192,622,000) amounted to £177,283,000 (2009 £179,767,000) inclusive of accrued interest, as at 31 December 2010.

### 16 Capital commitments

As at 31 December 2010 the Company had instructed suppliers to carry out work on ongoing capital projects with a total value of £Nil (2009 £Nil).

### 17 Related party transactions

The Company has taken advantage of the exemption granted under paragraph 3c of the amendment to FRS 8 and not disclosed any transactions with other group companies where they are wholly owned by a common parent.

## **Heddfan Care Limited**

### **Notes to the financial statements for the year ended 31 December 2010 (continued)**

#### **18 Immediate and ultimate parent companies**

The Directors regard J C Care Limited, a company registered in England and Wales, as the immediate parent company of Heddfan Care Limited, and as of 14 April 2011, Crown Newco 1 Limited, a company registered in England and Wales, as the ultimate parent company in the United Kingdom. At 31 December 2010 Craegmoor Group Limited was the ultimate parent company in the United Kingdom. Crown Newco 1 Limited is beneficially owned by funds managed by Advent International Corporation which is considered by the directors to be the ultimate controlling party of the company.

Craegmoor Group Limited was the parent company of the largest and smallest group in which Heddfan Care Limited was consolidated for the year ended 31 December 2010. Copies of Craegmoor Group Limited's consolidated financial statements may be obtained from its registered office, Craegmoor House, Perdiswell Park, Worcester, WR3 7NW.