

**Newcross Nursing Group Limited**

**Annual report and financial statements**

**Registered number 03882699**

**30 April 2016**

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## Company Information

### **Directors**

S Patrick  
M Gorringe

### **Secretary**

S Patrick

### **Registered Office**

Waterside  
Berry Pomeroy  
Totnes  
TQ9 6LH

### **Registered number**

03882699

### **Registered auditor**

KPMG LLP  
Plym House  
3 Longbridge Road  
Plymouth  
PL6 8LT

### **Bankers**

Lloyds Banking Group  
31-33 Fore Street  
Totnes  
TQ9 5HH

## Strategic report

The Directors present their annual report and the audited financial statements for the year ended 30 April 2016.

### Principal activities

The principal activity of the Company is to act as a parent company holding intangible assets and associated external debt.

### Review of business and future developments

The Company has continued to manage its intangible assets successfully and the result has been stable growth and a consequent improved turnover and operating profit.

### Management of financial risk

The Company's operations expose it to a variety of financial risks, including the effects of credit risk, liquidity risk, interest rate risk and cash flow risk. The policies in place to mitigate the potential impact of these financial risks are as follows:

The rate of interest earned/paid on the Company's cash balances/loans and overdrafts are monitored on an ongoing basis by continuing review of rates available in the market. Deposits, loans and overdrafts are made with reference to these rates, in conjunction with projections of future cash requirements.

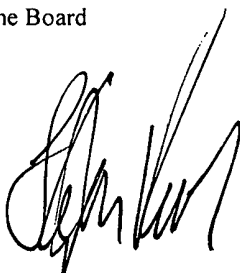
The Company actively maintains an appropriate level of cash reserves that are available for operations and planned expansions.

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

By order of the Board

**S Pattrick**

Secretary



Waterside  
Berry Pomeroy  
Totnes  
TQ9 6LH

13 October 2016

## Directors' report

### Results and Dividends

The Company's profit for the year is £ 9,625,573 (2015: £8,001,264). The Directors paid an equity dividend of £ 8,047,818 (2015: £7,158,995).

### Directors

The Directors of the Company who were in place during the year and up to the date of approval of the financial statements are set out on page 1.

### Donations

The Company made no charitable or political donations during the year (2015: £nil).

### 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.

### Auditor

Pursuant to section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board

**S Patrick**

Secretary



Waterside  
Berry Pomeroy  
Totnes  
TQ9 6LH

13 October 2016

## **Statement of directors' responsibilities in respect of the Strategic Report, 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) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.



## **KPMG LLP**

Plym House  
3 Longbridge Road  
Plymouth  
PL6 8LT  
United Kingdom

### **Independent auditor's report to the members of Newcross Nursing Group Limited**

We have audited the financial statements (the "financial statements") of Newcross Nursing Group Limited for the year ended 30 April 2016 set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice) including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

#### **Respective responsibilities of directors and auditor**

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. 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 Financial Reporting Council'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](http://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 April 2016 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**

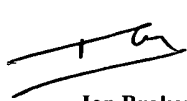
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the members of Newcross Nursing Group 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



*Brokenshire*

**Ian Brokenshire (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
*Plym House*  
*3 Longbridge Road*  
*Plymouth*  
*PL6 8LT*

*19 October* 2016

**Profit and Loss Account and Other Comprehensive Income**  
*for the year ended 30 April 2016*

	<i>Note</i>	<b>2016</b> <b>£</b>	<b>2015</b> <b>£</b>
<b>Turnover</b>	<b>2</b>	<b>2,087,793</b>	<b>1,615,726</b>
<b>Gross profit</b>		<b>2,087,793</b>	<b>1,615,726</b>
Administrative expenses		(16,639)	(16,614)
<b>Operating profit</b>	<b>3</b>	<b>2,071,154</b>	<b>1,599,112</b>
Interest receivable and similar income	<b>4</b>	<b>2,361</b>	<b>2,789</b>
Interest payable and similar charges	<b>5</b>	<b>(35,421)</b>	<b>(79,254)</b>
Investment income	<b>6</b>	<b>7,997,818</b>	<b>6,800,000</b>
<b>Profit on ordinary activities before taxation</b>		<b>10,035,912</b>	<b>8,322,647</b>
Tax on profit on ordinary activities	<b>8</b>	<b>(410,339)</b>	<b>(321,383)</b>
<b>Profit for the financial year</b>		<b>9,625,573</b>	<b>8,001,264</b>

All items dealt with in arriving at the operating profit above relate to continuing operations.

There is no other income or loss other than disclosed above.

The notes on pages 10 to 18 form part of the financial statements.

## Balance Sheet

At 30 April 2016

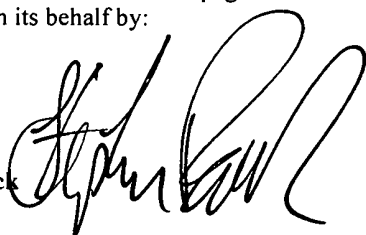
	Note	£	2016 £	£	2015 £
<b>Fixed assets</b>					
Intangible assets	10		-		-
Investments	11		106		106
			<hr/>		<hr/>
<b>Current assets</b>					
Debtors	12	2,776,247		2,358,938	
Cash at bank and in hand		1,088,748		968,095	
			<hr/>	<hr/>	
<b>Creditors: amounts falling due within one year</b>	13	3,864,995 (1,413,622)		3,327,033 (1,791,749)	
			<hr/>	<hr/>	
<b>Net current assets</b>			2,451,373		1,535,284
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			2,451,479		1,535,390
<b>Creditors: amounts falling due after more than one year</b>	14		-		(661,666)
			<hr/>		<hr/>
<b>Net assets</b>			2,451,479		873,724
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	15		108		108
Profit and loss account			2,451,371		873,616
			<hr/>		<hr/>
<b>Equity shareholders' funds</b>			2,451,479		873,724
			<hr/>		<hr/>

The notes on pages 10 to 18 form part of the financial statements.

The financial statements on pages 7 to 18 were approved by the Company's Directors on 13 October 2016 and were signed on its behalf by:

S Patrick

Director



M Gorringe

Director



## Statement of Changes in Equity

At 30 April 2016

	<i>Nz</i>	Called up share capital £	Profit and loss reserve £	Total Equity £
At 1 May 2014		108	31,347	31,455
Total comprehensive income for the period:				
Profit for the year after taxation		-	8,001,264	8,001,264
Other comprehensive income		-	-	-
<b>Total comprehensive income for the period</b>		-	8,001,264	8,001,264
Transactions with owners, recorded directly in equity:				
Dividends		-	(7,158,995)	(7,158,995)
<b>Total contributions by and distributions to owners</b>		-	(7,158,995)	(7,158,995)
<b>Balance at 30 April 2015</b>		108	873,616	873,724
		Called up share capital £	Profit and loss reserve £	Total Equity £
At 1 May 2015		108	873,616	873,724
Total comprehensive income for the period:				
Profit for the year after taxation		-	9,625,573	9,625,573
Other comprehensive income		-	-	-
<b>Total comprehensive income for the period</b>		-	9,625,573	9,625,573
Transactions with owners, recorded directly in equity:				
Dividends		-	(8,047,818)	(7,997,818)
<b>Total contributions by and distributions to owners</b>		-	(8,047,818)	(7,997,818)
<b>Balance at 30 April 2016</b>		108	2,451,371	2,451,479

## Notes

*(forming part of the financial statements)*

### 1 Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements, except as noted below.

#### ***Basis of preparation***

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102') as issued in August 2014, and with the Companies Act 2006. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has not needed to make any measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected financial position and financial performance of the Company is provided in note 19.

The Company's ultimate parent undertaking, Beluga Rock Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Beluga Rock Holdings Limited, within which this Company is included, are publicly available at the address included in note 17. Consequently, the company has taken advantage of the exemption in Companies Act 2006 from preparing its own consolidated financial statements.

In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Beluga Rock Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

A summary of the more important accounting policies, which have been applied consistently, is set out below.

#### ***Going concern***

The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain market conditions.

The directors have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing these financial statements.

Further information regarding the risks and uncertainties faced by the company are included in the Strategic Report on page 2.

#### ***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes where applicable. Turnover includes revenue earned from the rendering of services in accordance and is recognised on the date of the transaction.

#### ***Foreign currencies***

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

## Notes (continued)

### 1 Principal accounting policies (continued)

#### Intangible assets

The cost of all intellectual property and trademarks are held at their purchase cost. Amortisation is calculated so as to write off the cost of these assets on a straight line basis over the expected useful economic life of the assets concerned. The principal useful economic life used for this purpose is:

Intellectual Property	7 years
Trademarks	4 years
Goodwill	6 years

#### Impairment

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### Taxation

The charge for taxation is based on the result for the period and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

### 2 Turnover

Turnover is derived from the ordinary activities of the Company wholly undertaken in the UK, which comes from license agreements with its subsidiary for the use of the Company's intangible assets.

### 3 Operating profit

Operating profit is stated after charging:

	2016 £	2015 £
Audit of these financial statements	3,000	5,000

**Notes** *(continued)*

**4 Interest receivable and similar income**

	2016 £	2015 £
Interest receivable	2,361	2,789

**5 Interest payable and similar charges**

	2016 £	2015 £
Interest payable on bank borrowings	35,421	79,254

**6 Other income**

	2016 £	2015 £
Dividend income	7,997,818	6,800,000

Other income relates to returns from the Group's investment portfolio.

**7 Directors' emoluments**

The directors received £ nil (2015: £nil) emoluments for services to the company during the year. The directors received remuneration for services to the Beluga Rock Holdings Limited, of which Newcross Nursing Group Limited is a subsidiary undertaking, however, the proportion attributable to their services to Newcross Nursing Group Limited is not separately identifiable.

The company had no employees other than directors (2015: nil).

## Notes (continued)

### 8 Tax on profit on ordinary activities

#### (a) Analysis of charge in year recognised in the profit and loss account

	2016 £	2015 £
<i>UK Corporation tax:</i>		
Current tax on income for year	410,339	321,383
	<hr/>	<hr/>
Total tax on profit on ordinary activities	410,339	321,383
	<hr/>	<hr/>

There was no tax recognised as other comprehensive income or in equity in the current or prior periods.

#### (b) Factors affecting tax charge for the year

	2016 £	2015 £
Profit for the year	9,625,573	8,001,264
Tax expense	410,339	321,383
	<hr/>	<hr/>
Profit excluding tax	10,035,912	8,322,647
	<hr/>	<hr/>
Tax using the UK tax rate of 20.0% (2015: 20.92%)	2,007,182	1,741,097
	<hr/>	<hr/>
Effects of:		
Dividend income not chargeable	(1,599,564)	(1,422,560)
Non-deductible expenses	2,721	2,844
	<hr/>	<hr/>
Total tax expense included in profit and loss account	410,339	321,383
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. In the Budget on 8 July 2015, the Chancellor announced additional planned reductions to 19% effective from 1 April 2017, and to 18% effective from 1 April 2020. This was subsequently reduced to 17% from 1 April 2020 in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

There is no provided or unprovided deferred tax.

## Notes (continued)

### 9 Dividends

The following dividends have been paid during the year:

	2016 £	2015 £
Dividend paid on ordinary shares	8,047,818	7,158,995

Following the end of the year the Company has paid dividends of £9,000,000.

### 10 Intangible assets

	Intellectual Property £	Trademarks £	Total £
<b>Cost</b>			
At 1 May 2015 and 30 April 2016	1,500,000	1,500,000	3,000,000
<b>Amortisation</b>			
At 1 May 2015 and 30 April 2016	1,500,000	1,500,000	3,000,000
<b>Net book value</b>			
At 30 April 2016	-	-	-
At 30 April 2015	-	-	-

Intellectual property rights for the Company include patents, design rights and service marks relating to the Montero suite of software.

## Notes (continued)

### 11 Investments

	Subsidiary Undertakings £
<i>Cost and net book value</i>	
At 1 May 2015 and 30 April 2016	106

The Company owns 100% of the issued share capital of the companies listed below, all of which are incorporated in England and Wales:

		2016 £	2015 £
	Principal Activity	Aggregate capital and reserves	
Newcross Healthcare Solutions Limited	Healthcare	10,525,866	4,938,219
Newcross International Nursing Services Limited	Dormant	2	2
Newcross Homecare Services Limited	Dormant	2	2
Newcross Franchise Services Limited	Dormant	2	2
Newcross Nursing Agency Limited	Dormant	2	2
Newcross Hospital Services Limited	Dormant	1	1
Newcross Medical Locums Limited	Dormant	1	1

The shares held by the Company in Newcross Nursing Agency and Newcross Hospital Services have £nil value attached to them within the Company balance sheet in both financial years on the basis that investments in these two subsidiaries were impaired when the companies ceased to trade.

	2016 £	2015 £
<b>Profit for the year</b>		
Newcross Healthcare Solutions Limited	13,691,157	9,838,705
Newcross International Nursing Services Limited	-	-
Newcross Homecare Services Limited	-	-
Newcross Franchise Services Limited	-	-
Newcross Nursing Agency Limited	-	-
Newcross Hospital Services Limited	-	-
Newcross Medical Locums	-	-

### 12 Debtors

	2016 £	2015 £
Amounts owed by group undertakings	2,776,247	2,358,938

Amounts owed by group undertakings are trading balances and therefore are due on demand and are non-interest-bearing.

## Notes (continued)

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

	2016 £	2015 £
Bank loans (net of £5,000 (2015: £13,600) unamortised issue costs (see note 14))	661,666	1,653,067
Amounts owed to related undertakings	155,338	-
Amounts owed to group undertakings	50,000	-
Corporation tax	538,695	128,356
Other creditors	-	326
Accruals and deferred income	7,925	10,000
	<u>1,413,623</u>	<u>1,791,749</u>

Amounts owed to group and related undertakings are trading balances and therefore are due on demand and are non-interest-bearing.

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

	2016 £	2015 £
Bank loan (net of £nil (2015: £5,000) unamortised issue costs)	-	661,666
	<u>-</u>	<u>661,666</u>

#### Maturity of bank loans

The maturity profile of the carrying amount of the Company's gross bank loans at 30 April 2016 was as follows:

	2016 £	2015 £
Less than one year	666,666	1,666,667
In more than one year, but no more than two years	-	666,666
In more than two years, but no more than five years	-	-
	<u>666,666</u>	<u>2,333,333</u>

The Company had two bank loans during the financial year, one of which was fully repaid during the year. The bank loans are secured by all the Company's assets. Cross guarantees have also been given by the subsidiary Newcross Healthcare Solutions Limited.

The first loan of £nil (2015: £1,000,000) incurs interest of 1.95% plus the bank's base rate as published from time to time. The loan was repaid by equal quarterly instalments, completing in March 2016.

The second loan of £ 661,666 (2015: £1,333,333) incurs interest of 1.70% plus the bank's base rate as published from time to time. The loan is repayable by March 2017, by equal quarterly instalments.

The base rate at the year end was 0.5%.

## Notes (continued)

### 15 Called up share capital

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
108 (2015: 108) ordinary shares of £1 each	<b>108</b>	<b>108</b>

### 16 Directors' loan

The Company has made interest free unsecured loans to the directors of the Company. The movements on the loan account during the year were as follows:

	2016 £	2015 £
Balance as at 1 May 2015		-
Additions during the year	<b>7,997,818</b>	7,158,995
Less: repaid during the year	<b>(7,997,818)</b>	(7,158,995)
<b>Balance as at 30 April 2016</b>	<b>-</b>	<b>-</b>
	£	£
Maximum liability during the year	<b>2,083,433</b>	2,301,859

### 17 Ultimate parent company

The Company continues to be a wholly owned subsidiary of Beluga Rock Holdings Limited, a company incorporated and registered in Gibraltar. The ultimate controlling parties continue to be S Patrick and M Gorringer by virtue of their shareholding in Beluga Rock Holdings Limited.

The smallest and largest group in which the results of the company are consolidated is that headed by Beluga Rock Holdings Limited. The consolidated financial statements of the group are available to the general public at 57/63 Line Wall Road, Gibraltar.

### 18 Guarantees

Where the Company has entered into financial guarantee contracts to guarantee the indebtedness of other Companies within the Beluga Rock Holdings Limited group, the Company considers these to be insurance arrangements, and accounts for them as such. In this respect, the Company treats the guarantee contract as a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

## Notes (continued)

### 19 Transition to FRS 102

As stated in note 1, these are the Company's first financial statements prepared in accordance with FRS 102. The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 30 April 2016 and the comparative information presented in these financial statements for the year ended 30 April 2015.

In preparing its FRS 102 balance sheet, the Company has not needed to adjust any amounts reported previously in financial statements. Accordingly, no reconciliation with old UK GAAP is presented.

### 20 Related party transactions

During the year the Company traded with the following related undertakings:

	Sales £	Purchases £	Year end Debtor/ (Creditor) 2016 £
Sotogrande Management Services Limited (wholly owned by S Patrick and M Gorringer)	-	-	(155,338)
	<u>          </u>	<u>          </u>	<u>          </u>