

REGISTERED NUMBER: 05255132 (England and Wales)

ELYSIUM HEALTHCARE (FARNDON) LIMITED
STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

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**ELYSIUM HEALTHCARE (FARNDON) LIMITED (REGISTERED NUMBER: 05255132)
PREVIOUSLY KNOWN AS RAPHAEL HEALTH CARE LIMITED**

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FOR THE YEAR ENDED 31 MARCH 2017**

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ELYSIUM HEALTHCARE (FARNDON) LIMITED
PREVIOUSLY KNOWN AS RAPHAEL HEALTH CARE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2017

DIRECTORS:	L J Chamberlain Dr Q S M Haque S J Woolgar M Robson
SECRETARY:	S J Livingston
REGISTERED OFFICE:	c/o Elysium Healthcare 2 Imperial Place Maxwell Road Borehamwood Hertfordshire WD6 1JN
REGISTERED NUMBER:	05255132 (England and Wales)
SENIOR STATUTORY AUDITOR:	Ian Phillips FCA

AUDITORS:	Duncan & Toplis Limited, Statutory Auditor 14 London Road Newark Nottinghamshire NG24 1TW
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**ELYSIUM HEALTHCARE (FARNDON) LIMITED (REGISTERED NUMBER: 05255132)
PREVIOUSLY KNOWN AS RAPHAEL HEALTH CARE LIMITED**

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their strategic report for the year ended 31 March 2017.

REVIEW OF BUSINESS

The company has continued to experience high levels of occupancy at the Farndon Unit, achieving an average occupancy of 45 (93%) (2016: 45, 98.9%) throughout the financial year. During the year, the Briars Hey site which was previously being temporarily operated as a children's home closed so that it could be reopened as a day school. It reopened following the year end in September 2017.

The results for the year are set out in the Income Statement and the position of the company as at the year end is set out in the Statement of Financial Position.

Revenue for the year totalled £8.2m (2016: £8.9m) and arose predominantly from provision of mental health services to the patients for either NHS England or Clinical Commissioning Groups ("CCGs").

Gross margin for the company for the year was 45.9% (2016: 38.8%) and is stated after all the unit's operating costs including staff and specialist costs. As seen across the care sector, the utilisation of agency and bank staff has increased and management are continuously monitoring the cost base to ensure the effective use of the company's resources.

Property, plant and equipment of £32.1m (2016: £31.8m) includes £31.9m (2016: £31.6m) in respect of land and buildings. During the year, the company incurred £400k (2016: £1.0m) of additions, primarily consisting of work completing the Briars Hey development.

On 14 February 2017, Raphael Health Care was acquired by Elysium Healthcare Holdings 3 Limited.

PRINCIPAL RISKS AND UNCERTAINTIES

The company continued to assess what they consider to be the main risks to the company throughout the year. This assessment covered the normal risks expected for a company of this size and nature, including market competition, clinical risk and the recruitment and retention of staff. The Directors believe there are adequate systems in place to mitigate against these risks.

The company continues to make use of a number of key performance indicators to monitor the efficiency and effectiveness of the organisation, introducing a highly effective and accurate KPI dashboard which drives the performance of the whole company. In terms of financial performance indicators, the company carefully monitors its overdue debt, debtor day trends and its bank covenants, and the company is fully compliant. The company continues to be subject to a number of quality performance targets (CQUINs) which are linked to fee rates.

The company continues to focus on the cost efficiency of the business, reviewing internal management structures, supplier contracts and requirements from external advisors. An annual business planning cycle involving all staff within the company ensures a common understanding of the need to manage resources efficiently and the objectives to be delivered by all.

The Board of Directors are pleased with the continuing progress Elysium Healthcare (Farndon) Limited has made in the last year, specifically the clinical success and continued high occupancy at the Farndon Unit. The Directors recognise that whilst there remain many challenges common to all providers in this field, there are a number of opportunities to pursue to develop the business further.

ON BEHALF OF THE BOARD:



M Robson - Director

Date: 21 December 2017

**ELYSIUM HEALTHCARE (FARNDON) LIMITED (REGISTERED NUMBER: 05255132)
PREVIOUSLY KNOWN AS RAPHAEL HEALTH CARE LIMITED**

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their report with the financial statements of the company for the year ended 31 March 2017.

CHANGE OF NAME

The company passed a special resolution on 1 August 2017 changing its name from Raphael Health Care Limited to Elysium Healthcare (Farndon) Limited.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of individualised inpatient care and rehabilitation for women with complex forensic needs and severe mental illness.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2017.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors who have held office during the period from 1 April 2016 to the date of this report are as follows:

A L Robinson - resigned 14 February 2017
J T Lamb - resigned 14 February 2017
Mrs C J Thomson - resigned 14 February 2017
L J Chamberlain - appointed 14 February 2017
Dr Q S M Haque - appointed 14 February 2017
S J Woolgar - appointed 14 February 2017

M Robson was appointed as a director after 31 March 2017 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

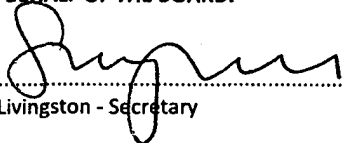
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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.

ON BEHALF OF THE BOARD:


S J Livingston - Secretary

Date: 21 December 2017

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ELYSIUM HEALTHCARE (FARNDON) LIMITED**

We have audited the financial statements of Elysium Healthcare (FarnDon) Limited for the year ended 31 March 2017 on pages five to nineteen. 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), including Financial Reporting Standard 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 a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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

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. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

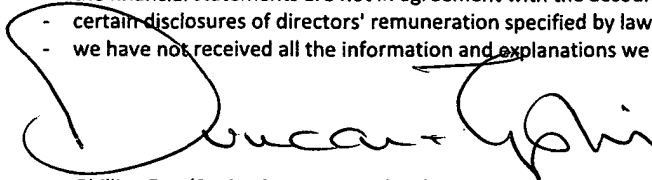
Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

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.


Ian Phillips FCA (Senior Statutory Auditor)
for and on behalf of Duncan & Toplis Limited, Statutory Auditor
14 London Road
Newark
Nottinghamshire
NG24 1TW

Date:

22/12/17

ELYSIUM HEALTHCARE (FARNDON) LIMITED (REGISTERED NUMBER: 05255132)
PREVIOUSLY KNOWN AS RAPHAEL HEALTH CARE LIMITED

INCOME STATEMENT
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	31.3.17 £	31.3.16 £
REVENUE		8,242,104	8,878,465
Cost of sales		4,368,438	5,436,959
GROSS PROFIT		3,873,666	3,441,506
Administrative expenses		2,181,935	2,257,779
OPERATING PROFIT	4	1,691,731	1,183,727
Refinancing costs	5	-	(446,838)
Reversal of impairments to property	5	-	293,625
		1,691,731	1,030,514
Interest receivable and similar income		-	294
		1,691,731	1,030,808
Interest payable and similar expenses	6	342,354	485,723
PROFIT BEFORE TAXATION		1,349,377	545,085
Tax on profit	7	236,905	-
PROFIT FOR THE FINANCIAL YEAR		1,112,472	545,085

The notes form part of these financial statements

**ELYSIUM HEALTHCARE (FARNDON) LIMITED (REGISTERED NUMBER: 05255132)
PREVIOUSLY KNOWN AS RAPHAEL HEALTH CARE LIMITED**

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2017**

	Notes	31.3.17 £	31.3.16 £
PROFIT FOR THE YEAR		1,112,472	545,085
OTHER COMPREHENSIVE INCOME			
Deferred tax relating to unrealised surplus on revaluation of freehold properties		-	1,337,169
Income tax relating to components of other comprehensive income		195,000	(48,000)
		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		195,000	1,289,169
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		1,307,472	1,834,254

The notes form part of these financial statements

ELYSIUM HEALTHCARE (FARNDON) LIMITED (REGISTERED NUMBER: 05255132)
PREVIOUSLY KNOWN AS RAPHAEL HEALTH CARE LIMITED

STATEMENT OF FINANCIAL POSITION
31 MARCH 2017

	Notes	31.3.17 £	£	31.3.16 £	£
FIXED ASSETS					
Property, plant and equipment	8		32,149,796		31,808,100
CURRENT ASSETS					
Inventories	9	22,232		14,203	
Debtors	10	26,292		10,044,057	
Cash at bank and in hand		1,067,995		2,182	
		<u>1,116,519</u>		<u>10,060,442</u>	
CREDITORS					
Amounts falling due within one year	11	10,471,923		1,587,081	
NET CURRENT (LIABILITIES)/ASSETS			<u>(9,355,404)</u>		<u>8,473,361</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>22,794,392</u>		<u>40,281,461</u>
CREDITORS					
Amounts falling due after more than one year	12		-	(18,599,541)	
PROVISIONS FOR LIABILITIES	17		<u>(2,046,000)</u>	<u>(2,241,000)</u>	
NET ASSETS			<u><u>20,748,392</u></u>		<u><u>19,440,920</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		10		10
Revaluation reserve	19		16,789,098		16,594,098
Retained earnings	19		3,959,284		2,846,812
SHAREHOLDERS' FUNDS			<u><u>20,748,392</u></u>		<u><u>19,440,920</u></u>

The financial statements were approved by the Board of Directors on 21 December 2017 and were signed on its behalf by:



.....
M Robson - Director

ELYSIUM HEALTHCARE (FARNDON) LIMITED (REGISTERED NUMBER: 05255132)
PREVIOUSLY KNOWN AS RAPHAEL HEALTH CARE LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 April 2015	10	2,301,727	15,304,929	17,606,666
Changes in equity				
Total comprehensive income	-	545,085	1,289,169	1,834,254
Balance at 31 March 2016	10	2,846,812	16,594,098	19,440,920
Changes in equity				
Total comprehensive income	-	1,112,472	195,000	1,307,472
Balance at 31 March 2017	10	3,959,284	16,789,098	20,748,392

The notes form part of these financial statements

ELYSIUM HEALTHCARE (FARNDON) LIMITED (REGISTERED NUMBER: 05255132)
PREVIOUSLY KNOWN AS RAPHAEL HEALTH CARE LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

	Notes	31.3.17 £	31.3.16 £
Cash flows from operating activities			
Cash generated from operations	1	19,622,432	(4,459,503)
Interest paid		(342,354)	(485,723)
Tax paid		(2,505)	(129,421)
Net cash from operating activities		19,277,573	(5,074,647)
Cash flows from investing activities			
Purchase of tangible fixed assets		(418,575)	(1,031,770)
Interest received		-	294
Net cash from investing activities		(418,575)	(1,031,476)
Cash flows from financing activities			
New loans in year		-	17,500,000
Loan repayments in year		(17,500,000)	(12,642,151)
Amount introduced by directors		-	6,740
Amount withdrawn by directors		(107,789)	-
Net cash from financing activities		(17,607,789)	4,864,589
Increase/(decrease) in cash and cash equivalents		1,251,209	(1,241,534)
Cash and cash equivalents at beginning of year	2	(183,214)	1,058,320
Cash and cash equivalents at end of year	2	1,067,995	(183,214)

The notes form part of these financial statements

ELYSIUM HEALTHCARE (FARNDON) LIMITED (REGISTERED NUMBER: 05255132)
PREVIOUSLY KNOWN AS RAPHAEL HEALTH CARE LIMITED

NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2017

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.3.17	31.3.16
	£	£
Profit before taxation	1,349,377	545,085
Depreciation charges	76,879	67,170
	-	(293,625)
Finance costs	342,354	485,723
Finance income	-	(294)
	<u>1,768,610</u>	<u>804,059</u>
Increase in inventories	(8,029)	(4,923)
Decrease/(increase) in trade and other debtors	10,017,765	(5,038,176)
Increase/(decrease) in trade and other creditors	<u>7,844,086</u>	<u>(220,463)</u>
Cash generated from operations	<u><u>19,622,432</u></u>	<u><u>(4,459,503)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	1,067,995	2,182
Bank overdrafts	-	(185,396)
	<u><u>1,067,995</u></u>	<u><u>(183,214)</u></u>

Year ended 31 March 2016

	31.3.16	1.4.15
	£	£
Cash and cash equivalents	2,182	1,058,320
Bank overdrafts	(185,396)	-
	<u><u>(183,214)</u></u>	<u><u>1,058,320</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2017

1. GENERAL INFORMATION

Elysium Healthcare (Farnndon) Limited is a private limited company, limited by shares, incorporated in England and Wales. The company's registered number address of the registered office is given in the company information on page one of these financial statements. The nature of the company's operations and principal activities are detailed in the report of the directors on page three.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Significant judgements and estimates

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

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

(i) Valuation of freehold property

As described in note 8, the freehold property is stated at fair value based on the valuation performed by Knight Frank. The valuer used observable market prices adjusted as necessary for any differences in the future, location or condition of the specific asset.

Property, plant and equipment

Property, plant and equipment are carried at cost, updated for the revaluation of certain assets plus any costs directly attributable to bring them into working condition for their intended use, less depreciation.

Depreciation is not charged on freehold land and buildings as it is the company's policy to maintain these assets in a continued state of sound repair. It is considered that the useful economic lives of these assets exceed 50 years and residual values are not materially less than the carrying values included within the financial statements. The directors therefore consider that any depreciation would be immaterial.

Depreciation on all other tangible fixed assets is calculated as follows;

Plant and machinery	20% on cost
Fixtures and fittings	20% on cost
Computer equipment	20% on cost

The cost of freehold land and buildings includes interest on the capital employed in the development of the property, plus finance costs associated with banking arrangements.

Interest and finance costs are capitalised only until the property becomes operational.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Finance Act No.2 2015, which was substantively enacted on 26 October 2015, includes provisions to reduce the corporation tax to 19% with effect from 1 April 2017 and 18% with effect from 1 April 2020. In addition, the Finance Act 2016 which was substantively enacted on 6th September 2016 introduced a further reduction in the main rate of corporation tax from 18% to 17% from 1 April 2020. Accordingly these rates have been applied when calculating deferred tax assets and liabilities as at 31 March 2017.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company participates in a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Financial instruments

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other creditors, bank loans and loans from group undertakings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers, which are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ELYSIUM HEALTHCARE (FARNDON) LIMITED (REGISTERED NUMBER: 05255132)
PREVIOUSLY KNOWN AS RAPHAEL HEALTH CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

2. ACCOUNTING POLICIES - continued

Revenue

Revenue represents amounts receivable for services provided in the normal course of business and is recognised on a per patient day basis. Revenue is exempt from value added tax.

3. EMPLOYEES AND DIRECTORS

	31.3.17	31.3.16
	£	£
Wages and salaries	4,506,136	5,191,748
Social security costs	374,993	409,265
Other pension costs	76,634	76,975
	<u>4,957,763</u>	<u>5,677,988</u>

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

	31.3.17	31.3.16
Operation	132	159
Administration	36	39
	<u>168</u>	<u>198</u>

	31.3.17	31.3.16
	£	£
Directors' remuneration	470,440	290,882
Directors' pension contributions to money purchase schemes	13,395	21,258
	<u>483,835</u>	<u>312,140</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	2
	<u>1</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	31.3.17	31.3.16
	£	£
Emoluments etc	470,440	180,824
Pension contributions to money purchase schemes	13,395	12,733
	<u>483,835</u>	<u>193,557</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	31.3.17	31.3.16
	£	£
Depreciation - owned assets	76,879	67,170
Auditors' remuneration	14,252	18,000
Auditors' remuneration - non audit	12,100	4,972
Auditors' remuneration - consultancy	15,900	-
	<u>119,131</u>	<u>90,142</u>

5. EXCEPTIONAL ITEMS

	31.3.17	31.3.16
	£	£
Refinancing costs	-	(446,838)
Reversal of impairments to property	-	293,625
	<u>-</u>	<u>(153,213)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

The 2010 and 2012 financial statements included a write down in the value of the company's Briars Hey freehold site that was recognised in the income statement for the respective years.

Due to the material size of the overall write down of £5,049,300 to the estimated recoverable amount, the directors considered it to be an exceptional item in 2010 (£3,967,465) and 2012 (£1,081,835) and disclosed them as such to ensure it did not distort the underlying trading results for that year.

As explained in note 8, the Briars Hey site was professionally valued by Knight Frank in October 2015 at £5,180,000. This resulted in a gain of £293,625 which partly reverses the revaluation losses previously recognised in the income statement in the 2010 and 2012 financial statements. The gain has been included within exceptional items in the previous year financial statements.

Exceptional items in the prior year also included expenses totalling £446,838 which relates to fees incurred during the refinancing of the company loans from Bank of Ireland to HSBC. No such costs were incurred in 2017.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.17	31.3.16
	£	£
Bank loan interest	<u>342,354</u>	<u>485,723</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.3.17	31.3.16
	£	£
Current tax:		
UK corporation tax	<u>236,905</u>	-
Tax on profit	<u>236,905</u>	-

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.17	31.3.16
	£	£
Profit before tax	<u>1,349,377</u>	<u>545,085</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2016 - 20%)	269,875	109,017
Effects of:		
Expenses not deductible for tax purposes	2,305	27
Capital allowances in excess of depreciation	(4,275)	-
Depreciation in excess of capital allowances	-	14,720
Group relief	(31,000)	(123,764)
Total tax charge	<u>236,905</u>	-

ELYSIUM HEALTHCARE (FARNDON) LIMITED (REGISTERED NUMBER: 05255132)
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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

7. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £	31.3.17 Tax £	Net £
Deferred tax relating to unrealised surplus on revaluation of freehold properties	195,000	-	195,000
	<u>195,000</u>	<u>-</u>	<u>195,000</u>
	Gross £	31.3.16 Tax £	Net £
Unrealised surplus on revaluation of freehold properties	1,337,169	-	1,337,169
Deferred tax relating to unrealised surplus on revaluation of freehold properties	(48,000)	-	(48,000)
	<u>1,289,169</u>	<u>-</u>	<u>1,289,169</u>

8. PROPERTY, PLANT AND EQUIPMENT

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 April 2016	31,586,302	5,788	372,719	211,892	32,176,701
Additions	358,132	-	59,369	1,074	418,575
At 31 March 2017	<u>31,944,434</u>	<u>5,788</u>	<u>432,088</u>	<u>212,966</u>	<u>32,595,276</u>
DEPRECIATION					
At 1 April 2016	-	5,788	224,700	138,113	368,601
Charge for year	-	-	52,372	24,507	76,879
At 31 March 2017	<u>-</u>	<u>5,788</u>	<u>277,072</u>	<u>162,620</u>	<u>445,480</u>
NET BOOK VALUE					
At 31 March 2017	<u>31,944,434</u>	<u>-</u>	<u>155,016</u>	<u>50,346</u>	<u>32,149,796</u>
At 31 March 2016	<u>31,586,302</u>	<u>-</u>	<u>148,019</u>	<u>73,779</u>	<u>31,808,100</u>

Freehold properties were subject to valuation by Knight Frank, Chartered Surveyors, in the year ended 31 March 2016. The methods and significant assumptions used to ascertain the fair value of £29,130,794 are as follows:

Farndon - the valuation has been prepared having regard to market based evidence and is based on a continuation of existing use in the business. and by reference to operating profit.

Rainhill - the valuation has been prepared having regard to market based evidence and is based on the estimated capital value of the property between a willing buyer and a willing seller in an arm's length transaction.

Since the valuations were completed, there have been further additions of £2,702,920. The directors are of the opinion that the carrying values of the properties did not change materially between the date at which the valuations were made and the year end.

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

8. PROPERTY, PLANT AND EQUIPMENT - continued

Cost or valuation at 31 March 2017 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
Valuation in 2016	14,550,451	-	-	-	14,550,451
Cost	17,393,983	5,788	432,088	212,966	18,044,825
	<u>31,944,434</u>	<u>5,788</u>	<u>432,088</u>	<u>212,966</u>	<u>32,595,276</u>

9. INVENTORIES

	31.3.17 £	31.3.16 £
Raw materials and consumables	<u>22,232</u>	<u>14,203</u>

10. DEBTORS

	31.3.17 £	31.3.16 £
Amounts falling due within one year:		
Trade debtors	1,984	11,998
Other debtors	3,628	-
Prepayments and accrued income	<u>20,680</u>	<u>33,298</u>
	<u>26,292</u>	<u>45,296</u>

Amounts falling due after more than one year:

Amounts owed by group undertakings	-	9,998,761
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Aggregate amounts	<u>26,292</u>	<u>10,044,057</u>
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11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.3.17 £	31.3.16 £
Bank loans and overdrafts (see note 13)	-	773,755
Trade creditors	140,329	237,402
Amounts owed to group undertakings	9,894,074	-
Corporation tax	236,905	2,505
Other taxes and social security	67,226	103,908
Other creditors	-	13,094
Directors' loan accounts	-	107,789
Accrued expenses	<u>133,389</u>	<u>348,628</u>
	<u>10,471,923</u>	<u>1,587,081</u>

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.3.17 £	31.3.16 £
Bank loans (see note 13)	-	16,911,641
Amounts owed to group undertakings	-	1,687,900
	<u>-</u>	<u>18,599,541</u>

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

13. LOANS

An analysis of the maturity of loans is given below:

	31.3.17 £	31.3.16 £
Amounts falling due within one year or on demand:		
Bank overdrafts	-	185,396
Bank loans	-	588,359
	<u>-</u>	<u>773,755</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	-	885,080
	<u>-</u>	<u>885,080</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	-	4,691,454
	<u>-</u>	<u>4,691,454</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more 5 yr by instal	-	11,335,107
	<u>-</u>	<u>11,335,107</u>

The bank loans, which were fully repaid in the year, carried interest at 1.5% above LIBOR and were repayable by quarterly instalments.

14. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.3.17 £	31.3.16 £
Within one year	36,738	41,121
Between one and five years	87,680	124,418
	<u>124,418</u>	<u>165,539</u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.17 £	31.3.16 £
Bank overdraft	-	185,396
Bank loans	-	17,500,000
	<u>-</u>	<u>17,685,396</u>

The bank loans and overdraft facility, which were fully repaid in the year, were secured by way of legal charges and debentures on the company's assets.

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NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017

16. FINANCIAL INSTRUMENTS

The company has the following financial instruments:

	2017 £	2016 £
Financial assets that are debt instruments measured at amortised cost		
Amounts owed by group undertakings	-	9,998,761
Trade debtors	1,984	11,998
Other debtors	3,628	-
Financial liabilities measured at amortised cost		
Bank loans	-	17,685,396
Amounts owed to group undertakings	9,894,074	1,687,900
Trade creditors	140,329	237,404
Other creditors	-	13,094
Directors' loan accounts	-	107,789

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £nil (2016 - £nil) and £342,354 (2016 - £485,723) respectively.

17. PROVISIONS FOR LIABILITIES

	31.3.17 £	31.3.16 £
Deferred tax		
Revaluation gains	2,046,000	2,241,000
		Deferred tax £
Balance at 1 April 2016		2,241,000
Movement in revaluation gains		(195,000)
Balance at 31 March 2017		2,046,000

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.3.17 £	31.3.16 £
10	Ordinary	£1	10	10

19. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 April 2016	2,846,812	16,594,098	19,440,910
Profit for the year	1,112,472		1,112,472
Tax on unrealised surplus on revaluation of freehold properties	-	195,000	195,000
At 31 March 2017	3,959,284	16,789,098	20,748,382

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**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2017**

20. CAPITAL COMMITMENTS

	31.3.17	31.3.16
	£	£
Contracted but not provided for in the financial statements	<u>17,662</u>	<u>-</u>

21. RELATED PARTY DISCLOSURES

Consultancy fees of £40,391 (2016: £12,000) were paid to one director. During the year, interest was charged to the company at 5.5% (2016: 5.5%) on an outstanding balance due to one of the directors. The balance was fully repaid in February 2017.

Key management personnel compensation is considered to be the same as reported under directors' remuneration as disclosed in note 3.

22. POST BALANCE SHEET EVENTS

Subsequent to the year end the company has given a guarantee in respect of bank borrowings of fellow group companies in favour of BNP Paribas. The guarantee is secured by a charge on the company's material property.

23. ULTIMATE CONTROLLING PARTY

The company was previously a wholly owned subsidiary of Raphael Health Care (Holdings) Limited, which was ultimately owned by RHC Group (2012) Limited, the parent company of the group.

On 14 February 2017 the company was acquired by Elysium Healthcare Holdings 3 Limited. Following the acquisition, the ultimate parent undertaking of Elysium Healthcare (Farndon) Limited is P Health S.A.R.L., a company incorporated in Luxembourg which is controlled by funds advised by BC Partners LLP. The Directors consider there is no ultimate controlling related party.

The largest group in which the results of the Company are consolidated is that headed by Elysium Healthcare Holdings 1 Limited, incorporated in England and Wales. The smallest group in which the results of the Company are consolidated is that headed by Elysium Healthcare Holdings 2 Limited, incorporated in England and Wales. The address of the registered office of Elysium Healthcare Holdings 1 Limited and Elysium Healthcare Holdings 2 Limited is: 2 Imperial Place, Maxwell Road, Borehamwood, Hertfordshire, WD6 1JN, where the consolidated financial statements of the Elysium Healthcare Holdings 1 Limited group and the Elysium Healthcare Holdings 2 Limited group may be obtained.