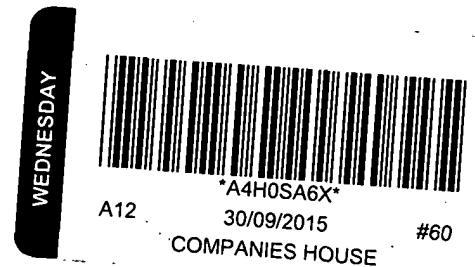


Badby Park Limited
Directors' report and financial statements
For the year ended 31 December 2014
Company Registered number 05558328



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Directors' report

The directors present their directors' report and financial statements for the year ended 31 December 2014.

Principal activities

The principal activities of the Company are the administration and management of a specialist residential care home for people with brain injury and neurodisability.

Business review

During the year the business continued to develop and progress towards maturity. Occupancy levels rose and income again grew strongly. The average fee charged rose during the year as dependency levels increased. Badby Park has reached mature levels of occupancy in early 2015 and is expected to continue at this level.

Results

The profit for the year, after taxation, amounted to £877,000 (2013: £385,000). The Company has net liabilities of £567,000 (2013: £1,444,000) and utilised £43,000 (2013: generated £33,000) of cash for its operating activities.

Dividends

The directors do not recommend payment of a dividend (2013: nil).

Key performance indicators

The board monitors progress on the overall strategy and individual strategic elements by reference to the key performance indicators below.

Indicator	Management action
Occupancy	Total number of residents, mix of fund sources and drivers of admissions and discharges on a trend basis measured against targets set to optimise asset utilisation.
Average weekly fee	Revenue is driven by the fees agreed with funders for each resident. The Company's strategy is to ensure that fees rise over time to reflect the costs of providing a high quality service.
Staff costs	The largest element of costs relates to staffing the home. Regular reviews are performed to ensure that regulated staffing levels are met whilst ensuring that profitability is optimised by eliminating unnecessary costs. Agency staff are used to supplement employed staff. The number of agency staff hours used is regularly measured.
Care quality	Review of factors which suggest that care quality could be improved e.g. complaints from residents/relatives, staff whistle-blowers or referrals to local regulators. Immediate steps taken to address any failings and identify potential improvements.

The performance measures employed by the board are kept under regular review to ensure that they remain relevant and appropriate.

Directors' report *(continued)*

Future outlook

The directors anticipate that Badby Park Limited will maintain the levels of occupancy reached in early 2015 and will continue to improve its efficiency to grow profitability. The business strategy is to focus on relatively complex, high fee-earning residents so that financial performance can be optimised. Residents are reassessed if their care needs change to evidence any required or recommended increase in fees.

The business continues to rely primarily on government and public funding sources for its income. Significant efforts continued during 2014 to broaden the network of contacts with commissioners and the directors expect that this will drive the future growth in occupancy to achieve a mature and stable level of profitability.

Principal risks and uncertainties

The principal risks and uncertainties that are managed by the Board include:

Public Sector Funding

The business is reliant for most of its funding on public sector finances. Significant further pressure to cut expenditure or reduce costs could have an impact on the business through lower occupancy and/or fees leading to lower revenues. The business manages this risk by maintaining strong relationships with commissioners and continually developing new channels and offering new or improved services which will broaden the customer base.

Care quality issues

The Company's objective is to provide a high standard of care to our residents. Staff are trained and procedures are in place to ensure that this occurs at all times. However in the rare instances where standards fall below those expected, the Board are immediately informed through a clear escalation procedure. In order to maintain occupancy it is important for any home to maintain a strong reputation for the provision of high quality care. As noted above, the Board constantly monitors any issues which might adversely impact that reputation.

Regulatory compliance

The Company is regulated by the Care Quality Commission (CQC) who perform periodic inspections of all care facilities. The Company maintains close links with the regulator to ensure that any issues which arise are dealt with openly and efficiently.

Profitability and Banking Covenants

The Company is party to a borrowing agreement with Bank of Ireland which contains a number of quarterly covenant tests measuring operational and financial performance of the home. Failure to pass these tests could have an adverse impact on the relationship with the lender and require remediation. Most of these tests are directly or indirectly related to the profitability of the Company. Should any issues arise which adversely impact the Company's ability to meet its financial projections or pass the covenant tests these are identified early (through review of KPIs and other measures) and specific action plans put in place to mitigate the impact.

Staffing availability

The Company requires a large number of qualified/ trained staff in order to continue providing services and facilitate growth. With increased pressure from the NHS and other employers the cost of employing and retaining sufficient staff could rise faster than expected over future periods.

Employee matters

The Company's policy of providing employees with information about the Company and the Group has continued and regular meetings are held between management and employees to allow exchanges of information and ideas.

The Company gives every consideration to applications for employment by disabled persons where the requirements of the job may be adequately filled by a disabled person. Where existing employees become disabled, it is the Company's policy wherever practicable to provide continuing employment under similar terms and conditions and to provide training, career development and promotion wherever appropriate.

Directors' report *(continued)*

Directors

The directors who held office during the year were as follows:

Daniel Kay
Timothy Street

No director had any interests in, or rights to subscribe for, shares or debentures in the Company or any fellow subsidiary during the financial year.

The directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

Political and charitable contributions

The Company made no political or charitable donations nor incurred any political expenditure during the year (2013: £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 he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Going concern

After making enquiries, 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.

Auditor

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

By order of the board



T Street

Director

One Vine Street
London, W1J 0AH
30th September 2015

Statement of directors' responsibilities in respect of the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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



KPMG LLP
1 The Embankment
Neville Street
Leeds
LS1 4DW
United Kingdom

Independent auditor's report to the members of Badby Park Limited

We have audited the financial statements of Badby Park Limited for the year ended 31 December 2014 set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU.

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 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 website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2014 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the EU; 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 auditor's report to the members of Badby Park 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; or
- the directors were not entitled to take advantage of the small companies exemption in not preparing a strategic report.

Johnathan Pass (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 The Embankment

Neville Street

Leeds

LS1 4DW

30 September 2015

Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 December 2014

	Note	2014 £000	2013 £000
Revenue	<i>1</i>	5,683	4,837
Cost of sales		(2,749)	(2,541)
Gross profit	<i>1-4</i>	2,934	2,296
Administrative expenses		(2,070)	(1,920)
Other operating income		14	10
Operating profit	<i>1-4</i>	878	386
Financial expenses	<i>5</i>	(1)	(1)
Profit before tax		877	385
Taxation	<i>6</i>	-	-
Profit after tax		877	385
Other comprehensive income for the year		-	-
Total comprehensive income for the year		877	385

The whole of the comprehensive income for both financial years noted above derives from continuing operations.

The notes on pages 11 to 23 form an integral part of these financial statements.

Statement of Financial Position
at 31 December 2014

	Note	2014 £000	2013 £000
Non-current assets			
Property, plant and equipment	7	157	71
Current assets			
Trade and other receivables	8	1,208	1,044
Cash and cash equivalents	9	105	148
		<u>1,313</u>	<u>1,192</u>
Total assets		<u>1,470</u>	<u>1,263</u>
Current liabilities			
Trade and other payables	10	(2,037)	(2,707)
		<u>(2,037)</u>	<u>(2,707)</u>
Total liabilities		<u>(2,037)</u>	<u>(2,707)</u>
Net liabilities		<u>(567)</u>	<u>(1,444)</u>
Equity			
Share capital	11	1	1
Share premium	11	1,249	1,249
Revaluation reserve	11	-	-
Retained earnings	11	(1,817)	(2,694)
		<u>(567)</u>	<u>(1,444)</u>
Total equity		<u>(567)</u>	<u>(1,444)</u>

The notes on pages 11 to 23 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 30th September 2015 and were signed on its behalf by:



T Street
 Director

Company registered number: 05558328

Statement of Changes in Equity
For the year ended 31 December 2014

	Share capital £000	Share premium £000	Retained earnings £000	Total equity £000
Balance at 31 December 2012	1	1,249	(3,079)	(1,829)
Total comprehensive income for the year				
Profit on ordinary activities after tax	-	-	385	385
	-	-		
Balance at 31 December 2013	1	1,249	(2,694)	(1,444)
Total comprehensive income for the year				
Profit on ordinary activities after tax	-	-	877	877
Balance at 31 December 2014	1	1,249	(1,817)	(567)

The notes on pages 11 to 23 form an integral part of these financial statements.

Statement of Cashflows
for the year ended 31 December 2014

	<i>Note</i>	2014 £000	2013 £000
Cash flows from operating activities			
Profit for the year		877	385
<i>Adjustments for:</i>			
Depreciation, amortisation and impairment	7	23	13
Interest	5	1	1
		<hr/>	<hr/>
		901	399
 Increase in trade and other receivables	 8	 (164)	 (167)
Decrease in trade and other payables	10	(670)	(142)
		<hr/>	<hr/>
		(834)	(309)
 Net cash from operating activities		 67	 90
		<hr/>	<hr/>
Cash flows from investing activities			
Acquisitions of property plant and equipment	7	(109)	(56)
		<hr/>	<hr/>
Net cash from investing activities		(109)	(56)
		<hr/>	<hr/>
Cash flows from financing activities			
Interest paid	5	(1)	(1)
		<hr/>	<hr/>
Net cash from financing activities		(1)	(1)
Net increase in cash and cash equivalents		(43)	33
		<hr/>	<hr/>
Cash and cash equivalents at beginning of year	9	148	115
Cash and cash equivalents at end of year	9	105	148
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 11 to 23 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Badby Park Limited (the "Company") is a Company incorporated and domiciled in the UK.

The Company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

The financial statements were approved by the directors on 2015.

1.1 Measurement convention

The financial statements are prepared on a going concern basis and under the historical cost basis as modified to include the revaluation of certain tangible fixed assets.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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.

1.2 Financial reporting standards applicable to the Company for future financial periods

The Company has reviewed the effect of all other amendments to IFRS and interpretations effective for accounting periods beginning on or after 1 January 2015 and does not expect them to have an impact on the financial statements of the Company.

Notes

(forming part of the financial statements)

1 Accounting policies (continued)

1.3 Going concern

The financial statements have been prepared on the going concern basis which assumes that the Company will be able to continue to trade for the foreseeable future. The companies' business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report. In addition note 13 to the financial statements includes the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

IAS 1 requires the Company to make an assessment of its ability to continue as a going concern when preparing its financial statements. In making this assessment, management have considered the forecasts based on the companies' three year plan for the period 2015 to 2017, which takes account of reasonably possible changes in trading performance.

The Company meets its day to day working capital requirements through the support of Patron Healthcare 1 LP which provides funding to ensure that the group and the Company can meet its liabilities. Patron Healthcare 1 LP have indicated that they will continue to provide this support.

After making enquiries, 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 these financial statements.

1.4 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

1.5 Classification of financial instruments issued by the Company

Financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

1. they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company ; and
2. where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Where a financial instrument that contains both equity and financial liability components exists these components are separated and accounted for individually under the above policy.

Notes (continued)

1 Accounting policies (continued)

1.6 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

1.7 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

No impairment provisions exist at the balance sheet date as there were no indications of impairment. No impairment provisions have been made or reversed during the current and previous financial periods.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and less accumulated impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Land is not depreciated. The estimated useful lives are as follows:

- freehold buildings 50 years
- fixtures and fittings 3 to 10 years
- plant and machinery 25% straight line
- motor vehicles 25% straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

Repairs and maintenance costs are expensed as incurred.

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

1.8 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation that can be reliably estimated. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-taxation rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

1.9 Revenue

Revenue represents income receivable from services rendered.

Revenue is stated net of value added taxation and other sales taxes, rebates and discounts and after eliminating sales within the Company. Revenue is recognised in the accounting period in which the Company obtains the right to consideration in exchange for its performance.

1.10 Segmental reporting

The Company determines and presents its reportable segments based on information that is provided internally to the directors who together fulfil the function of the Company's chief operating decision makers. The Company operates in only one segment – the operation of a specialist care home in the UK.

1.11 Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense.

Financing income and expenses

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the income statement on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

1.12 Taxation

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Notes (continued)

1.13 Accounting estimates and judgements

The preparation of financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In particular, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Income taxes: The Company is subject to income taxes in the United Kingdom. There are many transactions and calculations for which the ultimate taxation determination is uncertain during the ordinary course of business. Where the final taxation outcome is different from the amount that was initially recorded, the difference is recognised in the period in which such determination is made.
- Consideration of impairment to the carrying values of assets has been made and the Directors concluded that the individual carrying values of operating assets are supportable by value in use. The impact of the current economic conditions on the assessment of going concern has been considered.
- Property, plant and equipment - Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the accounting policies for property, plant and equipment and intangible assets. The selection of these residual values and estimated lives requires the exercise of judgement. The Company is required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The directors consider that the individual carrying values of assets are supportable by their value in use.
- Deferred tax assets – Represents the extent to which future profits are expected to be offset by losses in the foreseeable future. The Company recognises expected liabilities and assets for tax based on an estimation of the likely taxes affect, which requires judgement as to the ultimate tax determination of certain items.

The areas of judgement made in the process of applying the Company's accounting policies to categorise how transactions are displayed and that have the most significant effect on the amounts recognised in the financial statements are:

- determining the necessary taxation provision where the effect of taxation laws and regulations is unclear.

Notes (continued)

2 Expenses and auditor's remuneration

Included in the profit from operating activities are the following:

	2014 £000	2013 £000
Depreciation and amounts written off property, plant and equipment	23	13

Auditor's remuneration:

	2014 £000	2013 £000
Audit of these financial statements	8	8
Amounts receivable by the auditor and its associates in respect of: Other services relating to taxation	3	3

3 Staff numbers and costs

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

	2014 Number	2013 Number
Administration	10	12
Care staff	165	147
	175	159

The aggregate payroll costs of these persons were as follows:

	2014 £000	2013 £000
Wages and salaries	2,352	2,227
Social security costs	175	168
Pension	6	-
	2,533	2,395

Notes (continued)

4 Directors' remuneration

There were no directors' emoluments in the year to 31 December 2014 (2013: nil). Directors' emoluments were borne by other related parties.

There were no retirement benefits accruing to any directors under money purchase schemes in either year.

5 Finance expense

	2014 £000	2013 £000
On bank loans and overdrafts	1	1
	<hr/>	<hr/>
Total finance expense	1	1
	<hr/> <hr/>	<hr/> <hr/>

6 Taxation

Recognised in the income statement

	2014 £000	2013 £000
Current tax expense	-	-
Deferred tax expense	-	-
	<hr/>	<hr/>
Total tax expense	-	-
	<hr/> <hr/>	<hr/> <hr/>

Reconciliation of effective tax rate

	2014 £000	2013 £000
Profit for the year	877	385
	<hr/>	<hr/>
Profit excluding taxation	877	385
Tax using the UK corporation tax rate of 20 % (2013: 20%)	(175)	(77)
Prior year trading losses brought forward	-	-
Capital allowances in excess of depreciation	-	26
Utilisation of prior period losses	175	51
	<hr/>	<hr/>
Total tax expense	-	-
	<hr/> <hr/>	<hr/> <hr/>

Trading losses of £2,491,000 are available to offset against future trading profits.

Reductions in the Corporation tax rates to 21% from 1 April 2014 and 20% from 1 April 2015 were substantially enacted on 2 July 2013. Deferred tax assets in respect of timing differences are expected to be recoverable against future taxable profits and are recognised at 20% (2013: 20%).

Notes (continued)

6 Taxation (continued)

Deferred tax assets and liabilities

	Assets	Assets
	2014	2013
	£000	£000
<i>Unprovided deferred tax assets and liabilities</i>		
Deferred tax assets and liabilities are attributable to the following:		
Tax value of loss carry-forwards	498	670

The directors have considered whether these timing differences will reverse or be utilised in the foreseeable future in deciding not to recognise these deferred tax assets.

7 Property, plant and equipment

	Leasehold Improvements £000	Fixtures & fittings £000	Plant & machinery £000	Motor vehicles £000	Total £000
Cost					
Balance at 1 January 2014	5	35	32	26	98
Additions	13	63	33	-	109
Disposals	-	-	-	-	-
Balance at 31 December 2014	18	98	65	26	207
Depreciation and impairment					
Balance at 1 January 2014	-	4	5	18	27
Depreciation charge for the year	-	8	10	5	23
Balance at 31 December 2014	-	12	15	23	50
Net book value					
At 31 December 2014	18	86	50	3	157
At 1 January 2014	5	31	27	8	71

Notes (continued)

7 Property, plant and equipment (continued)

	Leasehold Improvements £000	Fixtures & fittings £000	Plant & machinery £000	Motor vehicles £000	Total £000
Cost					
Balance at 1 January 2013	-	5	11	26	42
Additions	5	30	21	-	56
Disposals	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2013	5	35	32	26	98
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment					
Balance at 1 January 2013	-	1	-	13	14
Depreciation charge for the year	-	3	5	5	13
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2013	-	4	5	18	27
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net book value					
At 31 December 2013	5	31	27	8	71
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2013	-	4	11	13	28
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Company's freehold property was independently valued by J Cashmore MRICS of Christie + Co in 2012. The valuation was prepared on the basis of market value in accordance with the Valuation Standards (8th Edition) published by the Royal Institution of Chartered Surveyors. The effect of this valuation was accounted for in the year ended 31 December 2012 prior to the disposal of the property to a connected party.

8 Trade and other receivables

	2014 £000	2013 £000
Trade debtors	672	564
Escrow deposits and acquisition retentions	101	101
Prepayments and other accrued income	355	308
Amounts due from group companies	80	71
	<hr/>	<hr/>
	1,208	1,044
	<hr/>	<hr/>

No trade and other receivable is considered to be impaired or past its due date.

Notes (continued)

9 Cash and cash equivalents

	2014 £000	2013 £000
Cash and cash equivalents	105	148
Cash and cash equivalents	105	148

10 Trade and other payables

	2014 £000	2013 £000
Current		
Trade creditors	160	106
Amounts owed to group companies	1,399	2,116
Taxes and social security costs	79	36
Accruals and deferred income	399	449
	2,037	2,707

Amounts owed to group undertakings relates to a non-interest bearing facility with the parent undertaking, Sunfleur Limited. Amounts owed to group undertakings are not expected to be settled within 12 months.

11 Capital and reserves

	Retained earnings 2013 £000	Ordinary shares 2013 £000	Share premium 2013 £000
At 31 December 2012	(3,079)	1	1,249
Profit for the year after tax	385	-	-
At 31 December 2013	(2,694)	1	1,249
	Retained earnings 2014 £000	Ordinary shares 2013 £000	Share premium 2013 £000
At 31 December 2013	(2,694)	1	1,249
Profit for the year after tax	877	-	-
At 31 December 2014	(1,817)	1	1,249

Notes (continued)

11 Capital and reserves (continued)

Share capital	2014 £	2013 £
Allotted, called up and fully paid		
200 A ordinary shares of 50p each	100	100
200 B ordinary shares of 50p each	100	100
800 C ordinary shares of 50p each	400	400
800 D ordinary shares of 50p each	400	400

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. The C and D shares are non-voting shares.

The retained earnings reserve comprises the cumulative net gains and losses recognised in the consolidated statement of comprehensive income.

12 Related parties

Identity of related parties with which the Company has transacted

The Company is part of a group which includes a number of other entities with which it has transacted in the year.

The Company has received funding in the form of non-interest bearing loans from its immediate parent, Sunfleur Limited, to finance working capital and the activities of its subsidiaries.

During 2012 the Company sold the property from which it operates at market value to a related party, Sunflower Property Sarl. It then entered into a 25 year lease in respect of the property. The initial annual rental was £885,000 but the Company benefitted from an initial six month period at half rental reflecting the relative immaturity of the business. The lease incentive has been spread over the life of the lease.

Other related party transactions

The amounts payable to and receivable from related parties during the year and the balances outstanding at the balance sheet date were as follows:

	Receivables outstanding 2014 £000	Payables outstanding 2014 £000
Sunfleur Limited	-	1,459
Sunflower Property Sarl	80	-
	Administrative expenses incurred 2014 £000	
Group companies- rent	910	

Notes (continued)

13 Financial instruments

Financial risk management policies and objectives

Exposure to credit, interest rate and currency risk arises in the normal course of the Company's business. The Company manages financial risk within its general risk management philosophy and framework.

Liquidity risk

Liquidity is managed on a daily basis by the finance department of the Group. They are responsible for ensuring that the Company has adequate liquidity for all operations, ensuring that the funding mix is appropriate so as to avoid maturity mismatches. The Company manages liquidity risk by holding sufficient liquid assets of appropriate quality to ensure that short term funding requirements are covered within prudent limits.

Credit Risk

The Company's credit risks are primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The Company's bank deposits are only deposited in and debt securities are only purchased from counterparties which have high credit quality.

Capital Management

The Group defines the capital that it manages as the Group's total equity and net debt balances. The Group's objectives are to safeguard its ability to continue as a going concern providing returns to shareholders, through the optimisation of the debt and equity balances, and to maintain a strong credit rating and headroom. The Group manages its capital structure and makes appropriate decisions in light of the current economic conditions and strategic objectives of the Group. There has been no change in the objectives, policies or processes with regards to capital management during the year ended 31 December 2014.

14 Operating leases

Non-cancellable operating lease rentals are payable as follows:

	2014 £000	2013 £000
Over five years	20,230	20,676

The Company leases its principal operating property from a related party Sunflower Property Sarl. The lease was entered into 2012 and has a term of 25 years. Rent is payable quarterly in advance.

During the year £910,000 (2013: £876,000) was recognised as an expense in the income statement in respect of operating leases.

15 Contingent liabilities

The Company is party to and has provided certain guarantees in respect of borrowing facilities with Bank of Ireland held by its immediate parent, Sunfleur Limited and another related party, Sunflower Property Sarl.

Notes *(continued)*

16 Ultimate parent Company and parent Company of larger group

The Company is a subsidiary undertaking of Sunfleur Limited a Company incorporated in England and Wales. The ultimate parent Company is Sunflower Sarl, a Company incorporated in Luxembourg. The ultimate controlling party is Patron Capital L.P. IV, a Guernsey partnership managed in Guernsey.

The largest group in which the results of the Company are consolidated is that headed by Sunflower Holding Sarl, incorporated in Luxembourg. The consolidated financial statements of these groups will be available from Sunflower Holding Sarl, 6 Avenue Pasteur, L-1210, Luxembourg.