

Financial Statements

St George Ultimate Care Limited

For the year ended 31 March 2013

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COMPANIES HOUSE

Company no 05715862

Company information

Directors

Dr N M Fouad
Mrs H Elnarshy-Fouad

Company secretary

Mrs H Elnarshy-Fouad

Company registration number

05715862

Registered office

St Mary's Hospital
Floyd Drive
Warrington
WA2 8DB

Independent auditor

Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
4 Hardman Square
Spinningfields
Manchester
M3 3EB

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Directors' Report

For the year ended 31 March 2013

The directors present their report and the financial statements for the year ended 31 March 2013

Principal activities and business review

The principal activity of the company during the year was that of a holding company. Details of the activities of the St George Care UK trading group are summarised below

St George Care UK Limited

The principal activity is that of a holding company. The company owns the entire share capital of St George Healthcare Limited, Focus on Care Recruitment Limited and St George Healthcare Group Limited, which owns the entire issued share capital of St Mary's Hospitals Limited and All Saints Hospital Limited (a dormant company)

St George Healthcare Group Limited

The principal activity is that of an intermediate holding company

St Mary's Hospitals Limited

The principal activity of the company is to operate independent rehabilitation hospitals providing facilities and services for patients with mental health needs that are associated with brain injuries and/or deafness and/or development disorders

The company operates two centres from the same site (St Mary's Hospital) at Floyd Drive, off Winwick Road, Warrington, the Phineas Gage Centre which opened in March 2006 and the James Pullen Centre which opened in May 2007

The company is planning the development of a new site in Brampton, Carlisle as an independent secure hospital for people with development disorders

St George Healthcare Limited

The company operates facilities on two sites, being All Saints Hospital, Oldham for patients with mental illness and sensory impairment and St Cyril's, Chester which opened during October 2009 and provides rehabilitation services for most acute and long-term neurological conditions. The company has obtained planning permission for another independent hospital at a site in Knowsley, Liverpool

Focus on Care Recruitment Limited

The principal activity of the company is the provision of nursing staff, predominantly to the group's hospitals

Future developments

Preparatory groundwork commenced at Milton Hall, the group's site at Brampton near Carlisle, with the view to complying with planning permission to build a new 30 bed hospital for people with development disorders

Directors' Report

For the year ended 31 March 2013

Results and dividends

The loss for the year, after taxation, amounted to £430,785 (2012 profit £818,072) The directors have not recommended a dividend

Directors

The directors who served the company during the year were as follows

Mrs H Elnarshy-Fouad
Dr N M Fouad

Principal risks and uncertainties

The most fundamental risks faced by the group are

- Failure to comply with regulation
- Negative publicity from a serious incident
- Occupancy levels not being achieved having negative effects on profit- Failure to attract and retain sufficient numbers of qualified staff

The group finances its operations through a combination of retained profits and bank loans The group manages its exposure to interest rate fluctuations by entering into interest rate swaps to mitigate interest rate risks

The group has a risk management process in place to identify, manage and mitigate business risk Regular reporting and review of these risks are performed by senior management who report findings to the Board

Disabled employees

The group is committed to equal opportunities and promoting job opportunities for all sections of the workforce It is acknowledged that our policies need to adhere to Statutory Legislation and Government Initiative on Improving Working Lives Our policies are designed to allow flexibility to compliment the people that underpin our service without discrimination

Donations

During the year the company made the following contributions

	2013	2012
	£	£
Charitable	-	130,000

Directors' Report

For the year ended 31 March 2013

Employee involvement

During the year, the policy of providing employees with information about the group has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas. Employees participate directly in the success of the business through the group's profit sharing schemes and are encouraged to invest in the company through participation in share option schemes.

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have 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 the company and the group and of the profit or loss of the group 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and

Directors' Report

For the year ended 31 March 2013

- the director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company and the group's auditor in connection with preparing its report and to establish that the company and the group's auditor is aware of that information

Auditor

The auditor, Grant Thornton UK LLP, will be prepared for reappointment in accordance with section 485 of the Companies Act 2006

This report was approved by the board on 13 February 2014 and signed on its behalf



Mrs H Elnarshy-Fouad
Company Secretary



Independent auditor's report to the members of St George Ultimate Care Limited

We have audited the financial statements of St George Ultimate Care Limited for the year ended 31 March 2013, which comprise the group Profit and loss account, the group and company Balance sheets, the group Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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 (APB'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/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2013 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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



Independent auditor's report to the members of St George Ultimate Care Limited

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

Grant Thornton UK LLP

Carl Williams
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Chartered Accountants
Statutory Auditor
Manchester
Date

Consolidated Profit and Loss account

As at 31 March 2013

	Note	2013 £	2012 £
Turnover	2	14,511,922	13,818,548
Cost of sales		<u>(8,172,183)</u>	<u>(7,121,515)</u>
Gross profit		6,339,739	6,697,033
Administrative expenses		(3,311,909)	(3,879,863)
Exceptional administrative expenses	3	<u>(1,454,265)</u>	<u>-</u>
Operating profit	3	1,573,565	2,817,170
Interest receivable	6	-	17,312
Interest payable and similar charges	7	<u>(1,825,971)</u>	<u>(1,460,343)</u>
(Loss)/profit on ordinary activities before taxation		(252,406)	1,374,139
Tax on profit on ordinary activities	8	<u>(321,974)</u>	<u>(337,187)</u>
(Loss)/profit on ordinary activities after taxation		(574,380)	1,036,952
Minority interests	27	<u>143,595</u>	<u>(218,880)</u>
(Loss)/profit attributable to members of the parent company	18	<u><u>(430,785)</u></u>	<u><u>818,072</u></u>
(Loss)/profit for the financial year		<u><u>(430,785)</u></u>	<u><u>818,072</u></u>

All audits relate to continuing operations

The notes on pages 14 to 32 form part of these financial statements

Consolidated Statement of Total Recognised Gains and Losses

As at 31 March 2013

	2013 £	2012 £
(Loss)/profit for the financial year attributable to the shareholders of the parent company	(430,785)	818,072
Currency translation differences on foreign currency net movements	-	(47,895)
Total gains and losses recognised since the last annual report	<u>(430,785)</u>	<u>770,177</u>

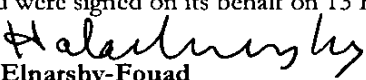
The notes on pages 14 to 32 form part of these financial statements

Consolidated Balance Sheet

As at 31 March 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Intangible assets	9		157,009		163,048
Tangible assets	10		37,623,810		37,634,389
Investments	11		40,000		40,000
			<u>37,820,819</u>		<u>37,837,437</u>
Current assets					
Stock	12	-		119	
Debtors	13	821,345		2,215,342	
Cash at bank and in hand		1,085,952		1,170,089	
		<u>1,907,297</u>		<u>3,385,550</u>	
Creditors amounts falling due within one year	14	(26,202,240)		(5,915,233)	
Net current liabilities			<u>(24,294,943)</u>		<u>(2,529,683)</u>
Total assets less current liabilities			13,525,876		35,307,754
Creditors amounts falling due after more than one year	15		(283,645)		(21,691,265)
Provisions for liabilities					
Deferred taxation	16		(436,534)		(236,408)
			<u>12,805,697</u>		<u>13,380,081</u>
Capital and reserves					
Called up equity share capital	17		200		200
Share premium account	18		5,385,522		5,385,522
Profit and loss account	18		3,906,702		4,337,491
Shareholders' funds	19		9,292,424		9,723,213
Minority interests	27		3,513,273		3,656,868
			<u>12,805,697</u>		<u>13,380,081</u>

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 13 February 2014


H Elnarshy-Fouad
 Director

The notes on pages 14 to 32 form part of these financial statements

Company Balance Sheet

As at 31 March 2013

	Note	£	2013 £	£	2012 £
Fixed assets					
Investments	11		5,455,002		5,455,002
Current assets					
Debtors	13	709,906		2,048,403	
Cash at bank		47,430		2,486	
		<u>757,336</u>		<u>2,050,889</u>	
Creditors: amounts falling due within one year	14	<u>(857,638)</u>		<u>(1,338,754)</u>	
Net current (liabilities)/assets			<u>(100,302)</u>		<u>712,135</u>
Total assets less current liabilities			5,354,700		6,167,137
Creditors : amounts falling due after more than one year	15		-		(1,226,246)
			<u>5,354,700</u>		<u>4,940,891</u>
Capital and reserves					
Called up equity share capital	17		200		200
Share premium account	18		5,385,522		5,385,522
Profit and loss account	18		(31,022)		(444,831)
Shareholders' funds			<u>5,354,700</u>		<u>4,940,891</u>

The financial statements were approved and authorised for issue by the Board of Directors and were signed on its behalf on 13 February 2014



H Elnarshy Fouad
Director

The notes on pages 14 to 32 form part of these financial statements

Consolidated Cash Flow Statement

For the year ended 31 March 2013

	Note	2013 £	2012 £
Net cash flow from operating activities	20	4,541,655	3,161,389
Revenue on investments and servicing of finance	21	(1,825,971)	(1,460,313)
Taxation		(240,798)	(169,447)
Capital expenditure and financial investments	21	(286,004)	(468,065)
Cash inflow before financing		2,188,882	1,063,564
Financing	21	(946,765)	(1,212,723)
Increase/(decrease) in cash in the year		1,242,117	(149,159)

Reconciliation of Net Cash Flow to Movement in Net Funds/Debt

For the year ended 31 March 2013

	2013 £	2012 £
(Decrease)/Increase in cash in the year	1,242,117	(149,159)
Cash outflow from decrease in debt and lease financing	(946,765)	1,397,489
	295,352	1,248,330
Movement in net debt in the year		
Net debt at 1 April 2012	(23,191,685)	(24,440,015)
Net debt at 31 March 2013	(22,896,333)	(23,191,685)

The notes on pages 14 to 32 form part of these financial statements

Notes to the financial statements

1 Accounting policies

1.1 Basis of preparation of financial statements

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

1.2 Basis of consolidation

The financial statements consolidate the accounts of St George Care UK Limited and all of its subsidiary undertakings

1.3 Going concern

The Company and Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 3

The Group meets its day to day working capital requirements through an overdraft facility and bank loan which is currently renewed periodically. The Group breached its bank loan covenants in the year ended 31 March 2013 however the Group has refinanced at the same level of facility with RBS in January 2014. The revised terms cover a 3 year period.

As a result of the breach, the debt has been reclassified within creditors amounts falling due within one year at 31 March 2013 in line with the requirements of FRS 25. Details are included in notes 14 and 15 to the financial statements.

The Group's forecasts and projects which take into account reasonably possible changes in trading performance show that the Group will be able to operate comfortably within the level of the renewed facilities. After making enquiries, the directors have a reasonable expectation that the Group and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

1.4 Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year.

Notes to the financial statements

1 Accounting policies (continued)

1.5 Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill - 5% straight line

1.6 Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

1.7 Fixed assets

All fixed assets are initially recorded at cost.

1.8 Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold property	- No depreciation
Leasehold property Improvements	- 10% straight line
Fixtures and fittings	- 10 - 33 3% straight line

Freehold land is not depreciated. No depreciation is charged on the group properties. The directors are of the opinion that the depreciation charge and accumulated depreciation on properties is immaterial owing to these assets having very long useful lives and high residual values. In the absence of provision for depreciation on such assets, an impairment review is carried out on an annual basis in accordance with FRS 11.

Notes to the financial statements

1 Accounting policies (continued)

1.9 Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease

1.10 Pension costs

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year

1.11 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Notes to the financial statements

1 Accounting policies (continued)

1.12 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

1.13 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.14 Liquid resources

Liquid resources comprise deposits held by recognised banks and building societies.

2 Turnover

The whole of the turnover is attributable to the provision of rehabilitation services for patients with brain injuries and a range of therapies in the field of mental health and deafness.

All turnover reported in the year under review arose within the United Kingdom.

3 Operating expenses

Operating profit is stated after charging

	2013	2012
	£	£
Amortisation – intangible fixed assets	6,039	6,039
Depreciation – tangible fixed assets	256,274	188,265
Write off of related party debt (see note 25)	1,454,265	-
Loss on disposal of fixed assets	1,258	4,474
Fees payable to the Company's auditors for the Company's annual accounts	1,500	1,500
Fees payable to the Company's auditors for other services		
- the audit of the Company's subsidiaries	18,500	18,000
- tax services	5,000	6,000
Operating lease rentals		
- Plant and equipment	25,811	25,811

Notes to the financial statements

4 Staff costs

Staff costs, including directors' remuneration were as follows

	2013 £	2012 £
Wages and salaries	7,472,974	5,670,479
Social security costs	578,157	369,924
Other pension costs	63,807	44,480
	<u>8,114,938</u>	<u>6,084,883</u>

The average monthly number of employees, including the directors during the year was as follows

	2013 No	2012 No
Directors	2	2
Non-clinical	132	66
Clinical	336	234
	<u>470</u>	<u>302</u>

5 Directors' remuneration

	2013 £	2012 £
Emoluments	-	209,961
Company pension contributions to defined contribution pension schemes	-	3,115
	<u>-</u>	<u>3,115</u>

Remuneration of highest paid director

	2013 £	2012 £
Emoluments	<u>-</u>	<u>111,000</u>

The number of directors who accrued benefits under company pension schemes was as follows

	2013 No.	2012 No
Money purchase schemes	<u>-</u>	<u>1</u>

Notes to the financial statements

6 Interest receivable

	2013 £	2012 £
Interest on corporation tax	-	30
Interest written back on group loan	-	17,282
	<u>-</u>	<u>17,312</u>

7 Interest payable and similar charges

	2013 £	2012 £
Interest payable on bank borrowing	49,891	13,159
Bank loan interest	1,776,080	1,447,184
	<u>1,825,971</u>	<u>1,460,343</u>

Notes to the financial statements

8 Taxation on ordinary activities

	2013 £	2012 £
Analysis of tax charge in the year		
Current tax (see note below)		
UK Corporation tax based on profit for the year	121,849	244,967
Adjustments in respect of prior periods	-	-
Total current tax	<u>121,849</u>	<u>244,967</u>
Deferred tax (see note 16)		
Origination and reversal of timing differences	200,125	92,220
Tax on profit on ordinary activities	<u>321,974</u>	<u>337,187</u>

b) Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 – lower than) the standard rate of corporation tax in the UK of 24% (2012 - 26%) The differences are explained below

	2013 £	2012 £
(Loss)/Profit on ordinary activities before taxation	<u>(252,406)</u>	<u>1,374,149</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24% (2012 – 26%)	(60,577)	357,276
Effects of		
Expenses not deductible for tax purposes	368,939	28,526
Fixed asset differences	7,833	-
Capital allowances for period in excess of depreciation	(21,360)	(41,185)
Utilisation of tax losses	(169,763)	(114,133)
Difference in tax rates	-	14,483
Marginal relief	(3,223)	-
Current tax charge for the year (see note above)	<u>121,849</u>	<u>244,967</u>

Notes to the financial statements

9 Intangible fixed assets

Group

	Goodwill
	£
Cost	
At 1 April 2012 and 31 March 2013	216,412
Amortisation	
At 1 April 2012	53,364
Charge for the year	6,039
At 31 March 2013	59,403
Net book value	
At 31 March 2013	157,009
At 31 March 2012	163,048

Notes to the financial statements

10 Tangible fixed assets

Group

	Freehold and leasehold property £	Investment property £	Fixtures and fittings £	Total £
Cost				
At 1 April 2012	36,379,367	747,491	1,152,103	38,278,962
Additions	5,773	-	280,231	286,004
Disposals	(1,858)	-	(9,897)	(11,755)
Loss on foreign currency transaction	-	(30,509)	-	(30,509)
At 31 March 2013	36,383,282	716,982	1,422,437	38,522,702
Depreciation				
At 1 April 2012	21,581	-	622,993	644,573
Charge for the year	-	-	256,274	256,274
On disposals	-	-	(1,956)	(1,956)
At 31 March 2013	21,581	-	877,311	898,892
Net book value				
At 31 March 2013	36,361,701	716,982	545,127	37,623,810
At 31 March 2012	36,357,786	747,491	529,110	37,634,389

In the opinion of the directors the open market value of the investment property as at 31 March 2013 is not materially different to the net book value

Notes to the financial statements

11 Investments

Group

	Other investments £
Cost	
At 1 April 2012 and 31 March 2013	<u>70,000</u>
Amounts written off	
At 1 April 2012 and 31 March 2013	<u>(30,000)</u>
Net book value	
At 31 March 2013 and 31 March 2012	<u>40,000</u>

Company

	Group companies £	Other investments £	Total £
As 1 April 2012 and 31 March 2013	<u>5,415,002</u>	<u>40,000</u>	<u>5,455,002</u>
Amounts written off			
At 1 April 2012 and 31 March 2013	<u>-</u>	<u>-</u>	<u>-</u>
Net book value			
At 31 March 2013 and 31 March 2012	<u>5,415,002</u>	<u>40,000</u>	<u>5,455,002</u>

Notes to the financial statements

11 Investments

The interests in group undertakings which are all included in the consolidation, are as follows

Company name	Country	Percentage Shareholding	Principal activities
St George Care UK Limited	England	75%	Holding Company
St George Healthcare Group Limited*	England	75%	Holding Company
St George Healthcare Limited*	England	75%	Rehabilitation hospitals
St Mary's Hospitals Limited**	England	75%	Rehabilitation hospitals
Focus on Care Recruitment Limited*	England	75%	Provision of nursing staff
All Saints Hospital Limited**	England	75%	Dormant company
St George Villas SL***	Spain	100%	Property Investment

* Wholly owned subsidiary of St George Care UK Limited

** Wholly owned subsidiary of St George Healthcare Group Limited

*** St George Villas SL has a year end of 31 December 2012 These accounts have been used for consolidation purposes as the difference is not considered material to the accounts

The percentage shareholding is of Ordinary shares and represents the proportion of the nominal value held and the proportion of voting rights represented by those shares other than as follows,

St George Ultimate Care Limited holds 100% of the Ordinary A shares of St George Care UK Limited which represents 75% of the assets and 100% of the voting rights of the company

The share capital of St George Healthcare Group Limited is divided into A and B shares

12 Stock

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Stock	-	119	-	-
	-	119	-	-

Notes to the financial statements

13 Debtors

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Trade debtors	498,452	188,846	-	-
Amounts owed by group undertakings	-	-	91,271	2,048,403
Amounts owed by undertakings in which the company has a participating interest	88,934	1,512,806	-	-
Other debtors	50,669	209	618,635	-
Called up share capital not paid	73,199	390,199	-	-
Prepayments and accrued income	110,091	123,282	-	-
	821,345	2,215,342	709,906	2,048,403

The debtors above include the following amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Amounts owed by group undertakings	-	-	709,906	-

14 Creditors:

Amounts falling due within one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdraft	23,698,640	2,718,778	-	-
Trade creditors	631,235	411,983	-	7,430
Amounts owed to related parties	53,154	1,144	53,154	1,144
Corporation tax	126,017	244,967	67,419	-
Other taxation and social security	171,101	149,932	-	-
Other creditors	95,374	143,971	2,882	23,032
Accruals and deferred income	692,367	1,303,648	729,967	1,303,648
Directors' loan accounts	734,352	940,810	4,216	3,500
	26,202,240	5,915,233	857,638	1,338,754

Notes to the financial statements

15 Creditors:

Amounts falling due after more than one year

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans and overdraft	283,645	21,643,198	-	-
Amounts owed to group undertakings	-	-	-	1,226,246
Accruals and deferred income	-	48,067	-	-
	283,645	21,691,265	-	1,226,246

At 31 March 2013, the Company had two bank loan facilities with RBS, all of which were secured by fixed and floating charges over all the Company's current and future assets and the first legal charges over properties owned by the Group

St George Care UK Limited breached its covenants at the year end therefore the debt has been classified within creditors due within one year at 31 March 2013 in line with the requirements of FRS 25

In January 2014, the Company has received a revised facility with RBS for bank loans of £16,500,000 and £6,250,000. Interest is charged at 2.7% and 4.5% above LIBOR on the respective loans. During the year, interest was charged at a rate of 3.75% and 4% above LIBOR on the respective loans.

Bank loans and overdrafts amounting to £23,698,640 (see note 14) are secured by an unlimited mortgage debenture incorporating a fixed and floating charge over all current and future assets of the company and first legal charges over properties owned by the group.

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment after more than five years from the balance sheet date.

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Bank loans	-	15,035,442	-	-

Notes to the financial statements

16 Deferred taxation

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
At beginning of year	236,408	144,188	-	-
Increase in provision	200,125	92,220	-	-
Provision carried forward	<u>436,534</u>	<u>236,408</u>	<u>-</u>	<u>-</u>

The provision for deferred taxation is made up as follows

Group

	Group		Company	
	2013	2012	2013	2012
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	436,534	437,536	-	-
Tax losses available	-	(201,128)	-	-
	<u>436,534</u>	<u>236,408</u>	<u>-</u>	<u>-</u>

17 Share capital

	2013		2012	
	£	£	£	£
Allotted, and called up and fully paid				
200 ordinary shares of £1 each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>
	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

Notes to the financial statements

18 Reserves

Group

	Share premium account £	Profit and loss account £
At 1 April 2012	5,385,522	4,337,491
Loss for the year	-	(430,785)
At 31 March 2013	<u>5,385,522</u>	<u>3,906,702</u>

Company

	Share premium account £	Profit and loss account £
At 1 April 2012	5,385,522	(444,831)
Profit for the year	-	413,809
At 31 March 2013	<u>5,385,522</u>	<u>(31,022)</u>

Notes to the financial statements

19 Reconciliation of movements in shareholders' funds

	2013	2012
	£	£
(Loss)/profit for the financial year	(430,785)	818,072
Other recognised gains and losses during the year	-	(47,895)
Net movement in shareholders' funds	(430,785)	770,177
Opening shareholders' funds	9,723,213	8,953,036
Closing shareholders' funds	9,292,424	9,723,213

The company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account

The profit for the year dealt with in the accounts of the company was £413,809 (2012 £172,506)

20 Net cash flow from operating activities

	2013	2012
	£	£
Operating profit	1,573,565	2,817,170
Foreign exchange movement	-	(33,519)
Amortisation	6,039	6,039
Depreciation	256,274	188,265
Loss on disposal of fixed assets	1,258	4,887
Increase in stock	-	(119)
Decrease in debtors	1,393,997	193,108
Increase/(decrease) in creditors	1,130,522	(81,474)
Net cash inflow from operating activities	4,541,655	3,161,389

Notes to the financial statements

21 Analysis of cash flows for headings netted in cash statement

	2013 £	2012 £
Returns on investments and servicing of finance		
Interest paid	(1,825,971)	(1,460,343)
	<u>(1,825,971)</u>	<u>(1,460,343)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(286,004)	(469,052)
Receipts from sale of fixed assets	-	987
	<u>(286,004)</u>	<u>(468,065)</u>
Financing		
Repayment of bank loans	(946,765)	(1,397,489)
Repayment of associated loans	-	3,676
Issue of equity share capital	-	175,000
Share premium on issue of share capital	-	35,000
Net outflow from long-term accruals	-	(28,910)
Net cash outflow from financing	<u>(946,765)</u>	<u>(1,212,723)</u>

22 Analysis of changes in net debt

	1 April 2012 £'000	Cash flow £'000	Other non-cash changes £'000	31 March 2013 £'000
Cash at bank and in hand	1,170,291	(84,339)	-	1,085,952
Overdrafts	(1,334,633)	1,326,456	-	(8,177)
	<u>(164,342)</u>	<u>1,242,117</u>	<u>-</u>	<u>1,077,775</u>
Debt:				
Debts due within one year	(1,357,961)	(946,765)	(21,385,737)	(23,690,463)
Debts falling due after more than one year	(21,669,382)	-	21,385,737	(283,645)
Net debt	<u>(23,191,685)</u>	<u>295,352</u>	<u>-</u>	<u>(22,896,333)</u>

Notes to the financial statements

23 Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £63,807 (2012 - £44,480). Contributions totalling £nil (2012 - £nil) were payable to the fund at the balance sheet date.

24 Financial instruments

The Group manages its exposure rate fluctuations by entering into interest rate swaps to mitigate interest rate risk.

At 31 March 2013, the fair value of the interest rate swaps as a liability, amounted to £9,000,000.

25 Related party transactions

St George Homes Limited is a company registered in England of which Dr N Fouad and Mrs H Elnarshy-Fouad are directors and majority shareholders. During the year the group made sales of £54,379 (2012 £48,000), to St George Homes Limited. At the year end, £53,154 (2012 - £1,144) was due to St George Homes Limited and £88,934 (2012 - £1,512,806) due from St George Homes Limited. During the year, a debtor totalling £1,454,265 due from St George Homes Limited was written off.

Included in creditors due within one year is an unsecured Directors Loan Account of £734,352 (2012 £940,810). No interest is charged on this balance.

26 Commitments under operating leases

At 31 March 2013 the group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings		Other	
	2013	2012	2013	2012
	£	£	£	£
Expiry date:				
Within 1 year	-	-	-	734
Between 2 and 5 years	-	-	30,541	26,851
After more than 5 years	-	-	-	-

Notes to the financial statements

27 Minority Interests

Equity	2013 £	2012 £
Balance brought forward	3,656,868	3,227,988
Issue of equity share capital	-	175,000
Share premium on issue of equity share capital	-	35,000
Share of (loss)/profit after taxation for the year	(143,595)	218,880
Balance carried forward	3,513,273	3,656,868