

Company registered no: 05715862

**St George Ultimate Care Limited**  
**Annual report and financial statements**  
**for the year ended 31 March 2014**

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# **St George Ultimate Care Limited**

## **Contents**

Board of directors and advisers	1
Strategic report for the year ended 31 March 2014	2
Directors' report for the year ended 31 March 2014	4
Independent auditors' report to the members of St George Ultimate Care Limited	6
Consolidated profit and loss account for the year ended 31 March 2014	8
Consolidated statement of total recognised gains and losses for the year ended 31 March 2014	8
Consolidated balance sheet as at 31 March 2014	9
Company balance sheet as at 31 March 2014	10
Consolidated cash flow statement as at 31 March 2014	11
Notes to the financial statements for the year ended 31 March 2014	12

# **St George Ultimate Care Limited**

## **Board of directors and advisers**

### **Directors**

H Elnarshy-Fouad  
N M Fouad

### **Secretary**

H Elnarshy-Fouad

### **Company number**

05715862

### **Registered office**

St Mary's Hospital  
Floyd Drive  
Warrington  
WA2 8DB

### **Bankers**

The Royal Bank of Scotland  
2nd Floor  
1 Spinningfields Square  
Manchester  
M3 3AP

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
101 Barbirolli Square  
Lower Mosley Street  
Manchester  
M2 3PW

### **Legal**

Kuit Steinart Levy LLP  
3 St Marys Parsonage  
Manchester  
M3 2RD

# **St George Ultimate Care Limited**

## **Strategic report for the year ended 31 March 2014**

The directors present their strategic report on the group for the year ended 31 March 2014

### **Principal activities and business review**

The principal activity of the company during the year was that of a holding company. During the year the group made a profit of £1,604,767 (2013 – loss of £430,785), and at the 31 March 2014 group net assets were £14,945,386 (2013 - £12,805,697).

The principal activity of the group is to operate independent rehabilitation hospitals providing facilities and services for patients with mental health needs, sensory impairment and acute, long term neurological conditions, together with the provision of nursing staff, predominantly to the group's hospitals.

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.

#### **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, which opened in December 2008, 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.

### **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 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.

# St George Ultimate Care Limited

## Strategic report for the year ended 31 March 2014 (cont'd)

### Non-financial risks

The group is regulated by CQC and performance would potentially suffer if high standards of quality are not maintained.

### Financial risk management

The Group's operations expose it to a variety of financial risks that include interest rate risk and credit risk.

All of the group's funding is provided via a cashpool facility or intergroup loans from St George Care UK Limited. Interest rate risk includes exposure to changes in the UK Base Rate and LIBOR as interest rates are variable.

The effects of credit risk are controlled as the group has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed by the Board. The Board receives regular reports on amounts due and amounts significantly overdue and the relevant action taken.

### Future developments

The group are planning the development of a new site in Brampton, Carlisle as an independent secure hospital for people with development disorders. In addition, the group has obtained planning permission for another independent hospital at a site in Knowsley, Liverpool.

### Key performance indicators ("KPI"s)

The group's strategy is one of growth with improved profitability. The directors monitor progress against this strategy by reference to a number of KPI's. Performance for the year, together with comparative data for the previous year is set out in the table below:

	2014	2013	Definition, method of calculation and analysis
Growth / (reduction) in sales (%)	+26%	+5%	Year on year sales growth expressed as a percentage. The year on year increase/decrease is a result of higher occupancy and fees.
Return on sales (%)	+16%	-1.8%	Return on sales is the ratio of profit on ordinary activities before taxation to sales expressed as a percentage. Return on sales has improved due to higher occupancy and fees.

On behalf of the board



Hala Elnarshy-Fouad  
Director

11 December 2014

# **St George Ultimate Care Limited**

## **Directors' report for the year ended 31 March 2014**

The directors present their report and the audited financial statements of the company for the year ended 31 March 2014.

### **Future developments**

An indication of the likely future developments of the business is included in the Strategic Report on page 3.

### **Charitable and political donations**

There were no charitable or political donations during the financial year (2013: £nil).

### **Dividends**

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

### **Financial risk management**

Financial risk management is described in the Strategic Report on page 2.

### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

N M Fouad  
H Elnarshy-Fouad

### **Directors' indemnities**

The company maintained throughout the year, and at the date of approval of the financial statements, liability insurance for its directors and officers. This is a qualifying provision for the purposes of the Companies Act 2006.

### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

### **Employee consultation**

The company maintains a policy of regular consultation and discussion with its employees on a wide range of issues that are likely to affect their interests and ensure that all employees are given regular updates of the performance of their business units and of the company as a whole.

### **Statement of directors' responsibilities**

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

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

# St George Ultimate Care Limited

## Directors' report for the year ended 31 March 2014 (cont'd)

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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 of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 418 of the Companies Act 2006 the following applies:

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

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their reappointment will be proposed at the Annual General Meeting.

On behalf of the board



H Elnarshy-Fouad

Director

~~November 2014~~ 22 December 2014

Registered number: ~~05131149~~ 05715862

# **St George Ultimate Care Limited**

## **Independent auditors' report to the members of St George Ultimate Care Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, St George Ultimate Care Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2014 and of the group's profit and cash flows 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.

#### **What we have audited**

St George Ultimate Care Limited's financial statements comprise:

- the Consolidated Balance Sheet and Company Balance Sheet as at 31 March 2014;
- the Profit and Loss Account and Consolidated Statement of Total Recognised Gains and Losses for the year then ended;
- the Consolidated Cash Flow Statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

##### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



# **St George Ultimate Care Limited**

## **Independent auditors' report to the members of St George Ultimate Care Limited (cont'd)**

### **Responsibilities for the financial statements and the audit**

#### **Our responsibilities and those of the directors**

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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

#### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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 group's and 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and Financial Statements 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.



Hazel Macnamara (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
22 December 2014

# St George Ultimate Care Limited

## Consolidated Profit and Loss account for the year ended 31 March 2014

	Note	2014 £	2013 £
<b>Turnover</b>	2	<b>17,470,340</b>	13,825,678
Cost of sales		<u>(6,683,890)</u>	<u>(7,485,939)</u>
<b>Gross profit</b>		<b>10,786,450</b>	6,339,739
Administrative expenses		<u>(6,886,905)</u>	<u>(3,311,909)</u>
Exceptional administrative expenses		-	<u>(1,454,265)</u>
<b>Operating profit</b>	3	<b>3,899,545</b>	1,573,565
Interest receivable	5	-	-
Interest payable and similar charges	6	<u>(1,133,866)</u>	<u>(1,825,971)</u>
<b>Profit/loss on ordinary activities before taxation</b>		<b>2,765,679</b>	(252,406)
Tax on profit on ordinary activities	7	<u>(625,990)</u>	<u>(321,974)</u>
<b>Profit/(loss) on ordinary activities after taxation</b>		<b>2,139,689</b>	(574,380)
Minority interests	24	<u>(534,922)</u>	<u>143,595</u>
<b>Profit/(loss) attributable to members of the parent company</b>	16	<b>1,604,767</b>	(430,785)
<b>Profit/(loss) for the financial year</b>		<u><b>1,604,767</b></u>	<u>(430,785)</u>

All results derive from continuing operations.

There are no material differences between the results on ordinary activities before taxation and their historical cost equivalents for the years stated above.

## Consolidated Statement of Total Recognised Gains and Losses for the year ended 31 March 2014

	2014 £	2013 £
Profit/(loss) for the financial year attributable to the shareholders of the parent company	<b>1,604,767</b>	(430,785)
<b>Total gains and losses recognised since the last annual report</b>	<u><b>1,604,767</b></u>	<u>(430,785)</u>

The notes on pages 12 to 24 form part of these financial statements.

# St George Ultimate Care Limited

## Consolidated Balance Sheet as at 31 March 2014

			2014		2013
	Note	£	£	£	£
<b>Fixed assets</b>					
Intangible assets	8		150,970		157,009
Tangible assets	9		37,313,194		37,623,810
Investments	10		40,000		40,000
			<u>37,504,164</u>		<u>37,820,819</u>
<b>Current assets</b>					
Debtors	11	823,398		821,345	
Cash at bank and in hand		<u>3,027,038</u>		<u>1,085,952</u>	
		<u>3,850,436</u>		<u>1,907,297</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(5,029,725)</u>		<u>(26,202,240)</u>	
<b>Net current liabilities</b>			<u>(1,179,289)</u>		<u>(24,294,943)</u>
<b>Total assets less current liabilities</b>			<u>36,324,875</u>		<u>13,525,876</u>
<b>Creditors : amounts falling due after more than one year</b>	13		(21,028,766)		(283,645)
<b>Provisions for liabilities</b>					
Deferred taxation	14		<u>(350,723)</u>		<u>(436,534)</u>
			<u>14,945,386</u>		<u>12,805,697</u>
<b>Capital and reserves</b>					
Called up equity share capital	15		200		200
Share premium account	16		5,385,522		5,385,522
Profit and loss account	16		<u>5,511,469</u>		<u>3,906,702</u>
<b>Shareholders' funds</b>	17		<u>10,897,191</u>		<u>9,292,424</u>
<b>Minority interests</b>	24		<u>4,048,195</u>		<u>3,513,273</u>
			<u>14,945,386</u>		<u>12,805,697</u>

The financial statements on pages 8 to 24 were approved by the Board of Directors and were signed on its behalf by:



H Elnarshy-Fouad

**Director**

22 December 2014

The notes on pages 12 to 24 form part of these financial statements.

Company registered number: 05715862

# St George Ultimate Care Limited

## Company Balance Sheet as at 31 March 2014

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Investments	10		5,455,002		5,455,002
<b>Current assets</b>					
Debtors	11	621,126		709,906	
Cash at bank		1,159		47,430	
		<u>622,285</u>		<u>757,336</u>	
<b>Creditors: amounts falling due within one year</b>	12	<u>(337,539)</u>		<u>(857,638)</u>	
<b>Net current assets/(liabilities)</b>			<u>284,746</u>		<u>(100,302)</u>
<b>Total assets less current liabilities</b>			<u>5,739,748</u>		<u>5,354,700</u>
<b>Creditors: amounts falling due after more than one year</b>	13		<u>(380,948)</u>		<u>-</u>
			<u>5,358,800</u>		<u>5,354,700</u>
<b>Capital and reserves</b>					
Called up equity share capital	15		200		200
Share premium account	16		5,385,522		5,385,522
Profit and loss account	16		<u>(26,922)</u>		<u>(31,022)</u>
<b>Shareholders' funds</b>			<u>5,358,800</u>		<u>5,354,700</u>

The financial statements on pages 8 to 24 were approved by the Board of Directors on and were signed on its behalf by:



**H Elnarshy Fouad**

Director

11 December 2014

The notes on pages 12 to 24 form part of these financial statements.

Company registered number: 05715862

# St George Ultimate Care Limited

## Consolidated Cash Flow Statement as at 31 March 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	18	4,361,687	4,541,655
Returns on investments and servicing of finance	19	(1,133,866)	(1,825,971)
Taxation		(117,640)	(240,798)
Capital expenditure and financial investments	19	(208,431)	(286,004)
<b>Cash inflow before financing</b>		<b>2,901,750</b>	<b>2,188,882</b>
Financing	19	(952,486)	(946,765)
<b>Increase in cash in the year</b>		<b>1,949,264</b>	<b>1,242,117</b>

Note – there was a transposition error in the ‘movement in creditors’ disclosed in the financial statements for the year ended 31 March 2013. The number was incorrectly disclosed as £1,130,522 instead of £1,310,522 and has been corrected for in these financial statements.

The notes on pages 12 to 24 form part of these financial statements.

# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014

### 1. Accounting policies

#### 1.1. Basis of preparation of financial statements

The financial statements have been prepared on the going concern basis, under the historical cost convention, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

#### 1.2. Basis of consolidation

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

#### 1.3. Going concern

The 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 2.

The Company meets its day to day working capital requirements through an overdraft facility and bank loan which is currently renewed periodically.

The Company's forecasts and projects which take into account reasonably possible changes in trading performance show that the Company will be able to operate comfortably within the level of the renewed facilities and banking covenants. 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 financial statements.

#### 1.4. Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year. All turnover derives from the UK. Turnover is recognised at the point of service delivery.

#### 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 - 2% straight line

Fixtures and fittings - 10 - 33.3% straight line

Freehold land is not depreciated.

# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 (cont'd)

### 1 Accounting policies (cont'd)

#### 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.

#### 1.12. Investments

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

### 2. Turnover

	2014	Restated 2013
	£	£
Turnover	<u>17,470,340</u>	<u>13,825,678</u>

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. Revenue is recognised when services are rendered.

Revenue and cost of sales for the year ended 31 March 2013 were not adjusted for intercompany revenues and costs amounting to £686,244 in error. Profit for the year ended 31 March 2013 was unaffected and the error has been corrected for in these financial statements.

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

# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 (cont'd)

### 3. Operating profit

Operating profit is stated after charging:

	2014	2013
	£	£
Amortisation of intangible fixed assets	6,039	6,039
Depreciation of tangible fixed assets	516,326	256,274
Loss on disposal of fixed assets	3,563	1,258
Fees payable to the Company's auditors for the Company's annual accounts	1,890	1,500
Services provided by the Company's auditors:		
Fees payable for the audit of the group	36,000	18,500
Fees payable for other services	15,600	5,000
Operating lease rentals:		
- Plant and equipment	43,129	25,811

### 4. Staff costs

Staff costs, including directors' remuneration were as follows:

	2014	2013
	£	£
Wages and salaries	8,797,857	7,472,974
Social security costs	738,696	578,157
Other pension costs	78,016	63,807
	9,614,569	8,114,938

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

	2014	2013
	No	No
Directors	2	2
Non-clinical	172	132
Clinical	400	336
	574	470

Directors' remuneration

	2014	2013
	£	£
Emoluments	120,000	-
Company pension contributions to defined contribution pension schemes	89	23,685



# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 (cont'd)

### Remuneration of highest paid director:

	2014	2013
	£	£
Emoluments	<u>120,000</u>	<u>-</u>

	2014	2013
	No	No
Money purchase schemes	<u>1</u>	<u>1</u>

### 5. Interest receivable

	2014	2013
	£	£
Interest Receivable	<u>-</u>	<u>-</u>

### 6. Interest payable and similar charges

	2014	2013
	£	£
Interest payable on bank loans	32,898	49,891
Other bank interest payable	<u>1,100,968</u>	<u>1,776,080</u>
	<u>1,133,866</u>	<u>1,825,971</u>

### 7. Taxation on ordinary activities

	2014	2013
	£	£

#### Analysis of tax charge in the year

#### Current tax (see note below)

UK Corporation tax based on profit for the year

Adjustments in respect of prior periods

#### Total current tax

718,102	121,849
<u>(6,302)</u>	<u>-</u>
<u>711,800</u>	<u>121,849</u>

#### Deferred tax (see note 16)

Origination and reversal of timing differences

Adjustment in respect of prior periods

Effect of change in tax rates

#### Total deferred tax

(33,371)	200,126
49	-
<u>(52,488)</u>	<u>-</u>
<u>(85,810)</u>	<u>200,126</u>

Tax on profit on ordinary activities

<u>625,990</u>	<u>321,974</u>
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#### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2013 - higher than) the standard rate of corporation tax in the UK of 23% (2013 - 24%). The differences are explained below.

# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 cont'd)

	2014	2013
	£	£
Profit/(loss) on ordinary activities before taxation	2,765,679	(252,406)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2013 - 24%)	636,106	(60,577)
Effects of expenses not deductible for tax purposes	38,789	368,939
Fixed asset differences	-	7,833
Capital allowances for period in excess of depreciation	34,060	(21,360)
Movement in short term timing differences	(690)	-
Adjustment to tax charge in respect of previous periods	(6,302)	-
Tax losses arising in the period – not recognised	10,978	-
Group relief not paid for	-	-
Utilisation of tax losses	-	(169,763)
Difference in tax rates	(1,141)	-
Marginal relief	-	(3,223)
<b>Current tax charge for the year</b>	<b>711,800</b>	<b>121,849</b>

The main rate of UK corporation tax was reduced from 24% to 23% with effect from 1 April 2013. A further announcement was made in the 2013 Annual Budget Statement that the rate would reduce to 21% with effect from 1 April 2014 and 20% will effect from 1 April 2015. This rate reduction was substantively enacted on 2 July 2013 and the deferred tax asset at 31 March 2014 has been re-measured accordingly

### 8. Intangible fixed assets

#### Group

	Goodwill
	£
<b>Cost</b>	
<b>At 1 April 2013 and 31 March 2014</b>	<b>216,412</b>
<b>Amortisation</b>	
At 1 April 2013	59,403
Charge for the year	6,039
<b>At 31 March 2014</b>	<b>65,442</b>
<b>Net book value</b>	
<b>At 31 March 2014</b>	<b>150,970</b>
<b>At 31 March 2013</b>	<b>157,009</b>

# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 (cont'd)

### 9. Tangible fixed assets

Group

	Freehold and leasehold property	Investment property	Fixtures and fittings	Total
Cost	£	£	£	£
At 1 April 2013	36,383,282	716,982	1,422,437	38,522,701
Additions	19,987	-	188,444	208,431
Disposals	-	-	(3,955)	(3,955)
Gain on foreign currency transaction	-	842	-	842
<b>At 31 March 2014</b>	<b>36,403,269</b>	<b>717,824</b>	<b>1,606,926</b>	<b>38,728,019</b>
<b>Depreciation</b>				
At 1 April 2013	21,581	-	877,311	898,892
Charge for the year	320,501	-	195,825	516,326
On disposals	-	-	(393)	(393)
<b>At 31 March 2014</b>	<b>342,082</b>	<b>-</b>	<b>1,072,743</b>	<b>1,414,825</b>
<b>Net book value</b>				
<b>At 31 March 2014</b>	<b>36,061,187</b>	<b>717,824</b>	<b>534,183</b>	<b>37,313,194</b>
<b>At 31 March 2013</b>	<b>36,361,701</b>	<b>716,982</b>	<b>545,127</b>	<b>37,623,810</b>

In the opinion of the directors the open market value of the investment property as at 31 March 2014 is not materially different to the net book value.

### 10. Investments

Group

	Other investments £
<b>Cost</b>	
<b>At 1 April 2013 and 31 March 2014</b>	<b>70,000</b>
<b>Amounts written off</b>	
<b>At 1 April 2013 and 31 March 2014</b>	<b>(30,000)</b>
<b>Net book value</b>	
<b>At 31 March 2014 and At 31 March 2013</b>	<b>40,000</b>

# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 (cont'd)

Company

	Group companies	Other investments	Total
	£	£	£
At 1 April 2013 and 31 March 2014	<u>5,415,002</u>	<u>40,000</u>	<u>5,455,002</u>
<b>Amounts written off</b>			
At 1 April 2013 and 31 March 2014	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net book value</b>			
At 31 March 2014 and 31 March 2013	<u>5,415,002</u>	<u>40,000</u>	<u>5,455,002</u>

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 Marys Hospitals Limited**	England	75%	Rehabilitation hospitals
Focus on Care Recruitment Limited**	England	75%	Provision of nursing staff
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 2013. 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.

# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 (cont'd)

### 11. Debtors

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Trade debtors	522,836	498,452	-	-
Amounts owed by group undertakings	-	-	619,135	91,271
Amounts owed by related parties	4,753	88,934	-	-
Other debtors	6,015	50,669	1,991	618,635
Called up share capital not paid	73,199	73,199	-	-
Prepayments and accrued income	216,595	110,091	-	-
	<u>823,398</u>	<u>821,345</u>	<u>621,126</u>	<u>709,906</u>

Included in debtors is £73,199 of unpaid called up share capital

### 12. Creditors

Amounts falling due within one year

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Bank loans and overdraft	1,992,856	23,698,640	-	-
Trade creditors	734,395	631,235	-	-
Amounts owed to related parties	51,354	48,743	46,943	48,743
Corporation tax	715,408	126,017	-	67,419
Other taxation and social security	254,387	171,101	-	-
Other creditors	42,351	99,785	3,091	7,293
Accruals and deferred income	904,025	692,367	-	729,967
Directors' loan accounts	334,949	734,352	287,505	4,216
	<u>5,029,725</u>	<u>26,202,240</u>	<u>337,539</u>	<u>857,638</u>

# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 (cont'd)

### 13. Creditors

Amounts falling due after more than one year

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdraft	<b>21,028,766</b>	283,645	-	-
Amounts owed to group undertakings	-	-	<b>380,948</b>	-
	<b><u>21,028,766</u></b>	<b><u>283,645</u></b>	<b><u>380,948</u></b>	<b><u>-</u></b>

At 31 March 2014, the Company had two bank loan facilities 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. All 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.

Bank loans and overdrafts amounting to £23,021,622 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.

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	<b><u>13,585,720</u></b>	<u>-</u>	<u>-</u>	<u>-</u>

### 14. Deferred taxation

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Provision at the start of the year	<b>436,534</b>	236,408	-	-
Deferred tax charge in profit and loss for the period	<b>(85,860)</b>	200,126	-	-
Adjustment in respect of prior years	<b>49</b>	-	-	-
Provision carried forward	<b><u>350,723</u></b>	<b><u>436,534</u></b>	<u>-</u>	<u>-</u>

# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 (cont'd)

The provision for deferred taxation is made up as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accelerated capital allowances	<b>350,723</b>	<b>436,534</b>	-	-
Tax losses available	-	-	-	-
	<b><u>350,723</u></b>	<b><u>436,534</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

### 15. Share capital

	<b>Group</b>		<b>Company</b>	
	<b>2014</b>	<b>2013</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>				
200 ordinary shares of £1 each	<b>200</b>	<b>200</b>	<b>200</b>	<b>200</b>
	<b><u>200</u></b>	<b><u>200</u></b>	<b><u>200</u></b>	<b><u>200</u></b>

### 16. Reserves

#### Group

	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
At 1 April 2013	<b>5,385,522</b>	<b>3,906,702</b>
Profit for the financial year	-	<b>1,604,767</b>
At 31 March 2014	<b><u>5,385,522</u></b>	<b><u>5,511,469</u></b>

#### Company

	<b>Share premium account</b>	<b>Profit and loss account</b>
	<b>£</b>	<b>£</b>
At 1 April 2013	<b>5,385,522</b>	<b>(31,022)</b>
Profit for the financial year	-	<b>4,100</b>
At 31 March 2014	<b><u>5,385,522</u></b>	<b><u>(26,922)</u></b>

# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 (cont'd)

### 17. Reconciliation of movements in shareholders' funds

	Group		Company	
	2014	2013	2014	2013
	£	£	£	£
Profit/(loss) for the financial year	1,604,767	(430,785)	235,083	413,809
Opening shareholders' funds	9,292,424	9,723,209	5,354,700	4,940,891
Closing shareholders' funds	<u>10,897,191</u>	<u>9,292,424</u>	<u>5,589,783</u>	<u>5,354,700</u>

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 £235,083 (2013: £413,809).

### 18. Net cash flow from operating activities

	2014	2013
	£	£
Operating profit	3,899,545	1,573,565
Foreign exchange movement	-	-
Amortisation	6,039	6,039
Depreciation	516,326	256,274
Loss on disposal of fixed assets	3,563	1,258
(Increase)/decrease in debtors	(2,052)	1,393,997
(Decrease)/increase in creditors	<u>(61,734)</u>	<u>1,310,522</u>
Net cash inflow from operating activities	<u>4,361,687</u>	<u>4,541,655</u>

Note – there was a transposition error in the 'movement in creditors' disclosed in the financial statements for the year ended 31 March 2013. The number was incorrectly disclosed as £1,130,522, instead of £1,310,522 and has been corrected in the comparatives included in the above reconciliation.

### 19. Analysis of cash flows for headings netted in cash statement

	2014	2013
	£	£
<b>Returns on investments and servicing of finance</b>		
Interest paid	<u>(1,133,866)</u>	<u>(1,825,971)</u>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(208,431)	(286,004)
Receipts from sale of fixed assets	-	-
	<u>(208,431)</u>	<u>(286,004)</u>



# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 (cont'd)

	2014 £	2013 £
<b>Financing</b>		
Repayment of bank loans	<u>(952,486)</u>	<u>(946,765)</u>

### 20. Analysis of changes in net debt

	1 April 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
<b>Cash at bank and in hand</b>	1,085,952	1,941,086	-	3,027,038
<b>Overdrafts</b>	<u>(8,178)</u>	<u>8,178</u>	<u>-</u>	<u>-</u>
	1,077,774	1,949,264	-	3,027,038
<b>Debt:</b>				
<b>Debts due within one year</b>	(23,690,463)	(1,992,856)	23,690,463	(1,992,856)
<b>Debts falling due after more than one year</b>	<u>(283,645)</u>	<u>2,945,342</u>	<u>(23,690,463)</u>	<u>(21,028,766)</u>
<b>Net debt</b>	<u>(22,896,334)</u>	<u>2,901,750</u>	<u>-</u>	<u>(19,994,584)</u>

### Reconciliation of Net Cash Flow to Movement in Net Funds/Debt as at 31 March 2014

	2014 £	2013 £
Increase in cash in the year	<u>1,949,264</u>	<u>1,242,117</u>
Cash inflow/(outflow) from decrease in debt and lease financing	<u>952,486</u>	<u>(946,765)</u>
<b>Movement in net debt in the year</b>	<u>2,901,750</u>	<u>295,352</u>
Net debt at 1 April 2013	<u>(22,896,333)</u>	<u>(23,191,685)</u>
<b>Net debt at 31 March 2014</b>	<u>(19,994,583)</u>	<u>(22,896,333)</u>

# St George Ultimate Care Limited

## Notes to the Financial Statements for the year ended 31 March 2014 (cont'd)

### 21. 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 £78,016 (2013 - £63,807). Contributions totalling £11,663 (2013 - £nil) were payable to the fund at the balance sheet date.

### 22. Related party transactions

St George Homes Limited is a company registered in England of which N Fouad and H Elnarshy-Fouad are directors and majority shareholders. During the year the group made sales of £18,000 (2013: £54,379), to St George Homes Limited. At the year end, £46,601 (2013 - £48,743) was due from St George Homes Limited. During the year, a debtor totalling £91,792 (2013: £1,454,265) due from St George Homes Limited was written off.

During the year the group paid £29,020 to St Mark's Charity.

Included in creditors due within one year is a Directors Loan Account of £334,949 (2013: £729,967).

### 23. Commitments under operating leases

At 31 March 2014 the group had annual commitments under non-cancellable operating leases as follows:

Group	Other	
	2014	2013
	£	£
<b>Expiry date:</b>		
Within 1 year	17,205	-
Between 2 and 5 years	25,924	30,541
After more than 5 years	-	-

### 24. Minority interests

Equity

	2014	2013
	£	£
Balance at 1 April 2013	3,513,273	3,656,868
Share of profit/(loss) after taxation for the year	534,922	(143,595)
<b>Balance at 31 March 2014</b>	<b>4,048,195</b>	<b>3,513,273</b>

### 25. Controlling Party

By virtue of their 50% share each in St George Ultimate Care Limited N M Fouad and H Elnarshy Fouad are deemed to be the ultimate controlling parties