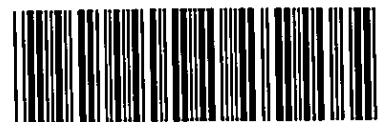


Caring 4 Croydon Limited
Directors' Report and Financial Statements
for the Year Ended 31 March 2012

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Caring 4 Croydon Limited

Contents

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7

Caring 4 Croydon Limited

Company Information

Directors	P S Thompson E F Range A T S Parry
Company secretary	G J Pope
Registered office	Tavistock House Tavistock Square London WC1H 9LG
Solicitors	Clyde & Co LLP The St Botolph Building 138 Houndsditch London EC3A 7AR
Bankers	Allied Irish Banks P L C 9/10 Angel Court London EC2R 7AB
Auditor	Deloitte LLP Chartered Accountants and Statutory Auditor St Albans United Kingdom

Caring 4 Croydon Limited
Directors' Report
for the Year Ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012

Results and dividends

The results for the year and preceding period are set out in the profit and loss account on page 5

The company paid dividends amounting to £180 000 for the year ended 31 March 2012 (2011 £nil)

Directors of the company

The directors who held office during the year and up until the date of this report were as follows

E F Range

M A Swindall (resigned 11 August 2011)

A Andreou (resigned 31 July 2012)

A T S Parry (appointed 11 August 2011)

P S Thompson (appointed 31 July 2012)

Principal activity

The company is engaged under a 32 year contract signed 8 December 2006 with London Borough of Croydon Geoffrey Osborne Limited and Eldon Housing Association Limited for the provision of design construction refurbishment of existing buildings and management services including related financing arrangements for serviced accommodation for three elderly care homes and a home to provide sheltered housing in the Croydon area, together with associated development and facilities for the provision of maintenance and operation of the same. The first two facilities in the programme opened in 2008 and the remaining two facilities opened on 8 June 2010

Basis of preparation - Going concern

The directors are of the opinion that the company is a going concern and will continue to be so for the foreseeable future

The company's performance is in line with the current operating period financial model. The company's business case is supported by a financial model and there is committed bank funding for the term of the business case. The directors consider that the committed funding available to the company is sufficient to meet the company's contracted obligations.

Disclosure of information to the auditor

Each director has taken steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information. Each director confirms that as far as he/she is aware there is no relevant information which the auditor is unaware of.

Reappointment of auditor

The company's auditor Deloitte LLP have indicated their willingness to continue in office and shall be deemed to be reappointed in accordance with an elective resolution made under section 386 of the Companies Act 1985 which continues in force under the Companies Act 2006.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006

Approved by the Board on 27 November 2012 and signed on its behalf by



P S Thompson
Director

Statement of Directors' Responsibilities

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 the Financial Reporting Standards for Smaller Entities (April 2008). 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 apply them consistently
- make judgements and accounting estimates that are reasonable and prudent 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.

Independent Auditor's Report to the Members of Caring 4 Croydon Limited

We have audited the financial statements of Caring 4 Croydon Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account the Balance Sheet and related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 Statement of Directors' Responsibilities (set out on page 3) the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors and the overall presentation of the financial statements. In addition we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 March 2012 and of its profit for the year then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities 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.

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 prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report



Robert Knight FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
St Albans
United Kingdom

23 November 2012

Caring 4 Croydon Limited

Profit and Loss Account for the Year Ended 31 March 2012

	Note	2012 £	2011 £
Turnover		3,238,803	2 809 553
Cost of sales		<u>(1,155,276)</u>	<u>(941 704)</u>
Gross profit		2,083,527	1 867 849
Administrative expenses		<u>(276,407)</u>	<u>(239 005)</u>
Operating profit		1,807,120	1 628,844
Interest receivable and similar income	3	7,966	5 132
Interest payable and similar charges	4	<u>(1,664,933)</u>	<u>(1 569 482)</u>
Profit on ordinary activities before taxation	2	150,153	64 494
Tax on profit on ordinary activities	5	<u>(25,389)</u>	<u>(12 134)</u>
Profit for the financial year	11	<u><u>124,764</u></u>	<u><u>52 360</u></u>

Turnover and operating profit derive wholly from continuing operations

The company has no recognised gains or losses for the year other than the results above

Caring 4 Croydon Limited

Balance Sheet at 31 March 2012

	Note	2012 £	2011 £
Current assets			
Debtors Amounts falling due in less than one year	6	154,069	167 900
Debtors Amounts falling due in more than one year	6	25,388,998	25 931 833
Cash at bank and in hand		802,788	1 108 218
		<u>26,345,855</u>	<u>27 207 951</u>
Creditors Amounts falling due within one year	7	(1,089,176)	(1 196 871)
Total assets less current liabilities		<u>25,256,679</u>	<u>26 011 080</u>
Creditors Amounts falling due after more than one year	8	(25,119,464)	(25 818 629)
Net assets		<u>137,215</u>	<u>192 451</u>
Capital and reserves			
Called up share capital	9	10,000	10 000
Profit and loss account	11	127,215	182 451
Shareholders' funds		<u>137,215</u>	<u>192 451</u>

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective 2008)

The financial statements of Caring 4 Croydon Limited, registration number 05773905 were approved by the Board on 27 November 2012 and signed on its behalf by



P S Thompson
Director

Caring 4 Croydon Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

I Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). The particular accounting policies have been consistently applied in the current and preceding years and are described below.

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

Going concern

The directors are of the opinion that the company is a going concern and will continue to be so for the foreseeable future.

The company's performance is in line with the current operating period financial model. The company's business case is supported by a financial model and there is committed bank funding for the term of the business case. The directors consider that the committed funding available to the company is sufficient to meet the company's contracted obligations.

Turnover

Turnover is derived from the provision of equipment and maintenance services and the provision of the availability of medical facilities. Turnover represents the invoiced value of services supplied net of Value Added Tax. All activities derive from the principal activity of the company and are wholly within the UK.

Financial asset - Finance Debtor

All directly attributable costs incurred in the construction of the serviced accommodation are transferred directly to a contract debtor. These costs include directly attributable construction and other costs incurred, including capitalised finance costs which are directly attributable to the construction of the asset. Finance costs are capitalised on a gross basis before the deduction of any tax relief.

Once the construction is completed and the asset is certified as available for use, the contract will enter the operational phase. During the operational phase, the amounts receivable are treated as long term contract debtor with a constant proportion of the planned net revenue arising from the project being allocated to remunerate the contract debtor. Imputed interest receivable is allocated to the contract debtor using a property specific rate to generate a constant rate of return over the life of the contract. Over the course of the contract term the contract debtor is expected to be fully repaid.

Borrowings

Interest-bearing bank loans are recorded at the proceeds received, net of direct issue costs.

Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accrual basis in the profit and loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

Current taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) by using tax rates and laws enacted or substantively enacted by the balance sheet date.

Deferred tax

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

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

Financial instruments

In accordance with applicable accounting standards, issue costs incurred directly in connection with the issue of a capital instrument which would not have been incurred had the specific instrument in question not been issued, are deducted from the proceeds of the issue. The finance costs, the difference between the net proceeds of an instrument and the total amounts of the payments which the company is required to make, are allocated to the profit and loss account over the term of the debt at a constant rate of return on the carrying amount.

Caring 4 Croydon Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

2 Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging

	2012 £	2011 £
Services provided by the company's auditors		
- fees payable in respect of the audit of the annual accounts	6,300	6 770
- fees payable in respect of other services - tax compliance	2,000	3 000

The company had no employees during the year (2011 Nil). No remuneration was paid to the directors in respect of their services to the company by the company or any other Group company in the year (2011 nil).

3 Interest receivable and similar income

	2012 £	2011 £
Bank interest receivable	7,966	5 132

4 Interest payable and similar charges

	2012 £	2011 £
Interest on bank borrowings	1,664,933	1 569 482

5 Taxation

Tax on profit on ordinary activities

	2012 £	2011 £
Current tax		
Corporation tax charge	32,661	13 543
Adjustments in respect of previous years	-	(12 320)
Consortium relief - prior year adjustment	(5,367)	10 911
UK Corporation tax	27,294	12 134
Deferred tax		
Origination and reversal of timing differences	(1,905)	-
Total tax on profit on ordinary activities	25,389	12 134

Factors affecting current tax charge for the year

Tax on profit on ordinary activities for the year is lower than (2011 - lower than) the standard rate of corporation tax in the UK of 26% (2011 - 28%).

The differences are reconciled below

	2012 £	2011 £
Profit on ordinary activities before taxation	150,153	64 494
Corporation tax at standard rate	39,040	18 058
Capital allowances in excess of depreciation	2,476	-
Adjustment in respect of prior years	(5,367)	(1 409)
Marginal relief	(8,855)	(4 515)
Total current tax	27,294	12 134

Caring 4 Croydon Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

5 Taxation (continued)

Factors that may affect future tax charges

Following the enactment of the Finance Act 2011 in July 2011 the UK corporation tax rate was reduced from 28% to 26% with effect from 1 April 2011. In the 2012 budget it was announced that there will be a reduction in the rate of corporation tax from 26% to 24% with effect from 1 April 2012 with further annual reductions of 1% each year culminating in a rate of 22% on 1 April 2014.

6 Debtors

	2012 £	2011 £
Amounts falling due within one year:		
Trade debtors	20,780	101,086
Deferred tax	1,905	-
Other debtors	-	180
Prepayments and accrued income	131,384	66,634
	<u>154,069</u>	<u>167,900</u>

	2012 £	2011 £
Amounts falling due after more than one year		
Contract debtors	25,388,998	25,931,833
	<u>25,388,998</u>	<u>25,931,833</u>

Deferred tax

The movement in the deferred tax asset in the year is as follows

	£
At 1 April 2011	-
Deferred tax credited to the profit and loss account	1,905
At 31 March 2012	<u>1,905</u>

Analysis of deferred tax

	2012 £	2011 £
Difference between accumulated depreciation and amortisation and capital allowances	1,905	-
	<u>1,905</u>	<u>-</u>

7 Creditors Amounts falling due within one year

	2012 £	2011 £
Bank borrowings	630,387	574,826
Less issue costs	(11,287)	(11,287)
	<u>619,100</u>	<u>563,539</u>
Trade creditors	25,992	117,121
Accruals and deferred income	273,336	369,519
Corporation tax payable	32,661	13,544
Group relief payable	17,966	11,974
Other creditors including taxation and social security	120,121	121,174
	<u>1,089,176</u>	<u>1,196,871</u>

Caring 4 Croydon Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

8 Creditors Amounts falling due after more than one year

Bank borrowings	22,690,616	23 321 812
Less issue costs	(285,922)	(297 208)
Net bank borrowings	22,404,694	23 024,604
Amounts due to related parties	2,714,770	2 794 025
	<u>25,119,464</u>	<u>25 818 629</u>

Bank borrowings relate to term loan facilities granted by Allied Irish Banks P.L.C. The loan facility comprises a senior facility of £30 296 574 (2011 £30 296 574). During the year £575 635 (2011 £5 533 305) of the senior loan facility has been repaid. The company has an additional standby facility of £1 000 000 which has not been drawn down as at 31 March 2012 (2011 £nil).

The senior loan facility is repayable based on a detailed schedule commencing in 2010. Interest is charged on amounts drawn under the facilities based on floating LIBOR. The company has entered into interest hedging agreements to be applied to the expected future borrowings under the facilities. These are swap agreements that fix the interest rate at 4.685% plus applicable margins per annum to 31 January 2037 in respect of 100% of the facilities.

The facilities are secured by a fixed charge over all leasehold interests, book debts, investments, un-subscribed loan notes and goodwill, intellectual property and plant and machinery of the company and its parent undertaking, and by a floating charge over the undertaking and assets of the company and its parent undertaking and by an assignment of all insurances, all bank accounts, certain contracts and all freehold and leasehold property (except that secured by a charge) of the company and its parent undertaking.

During the previous year Caring 4 Croydon Holdings Limited subscribed for £2 595 025 of 12.63% and £199 000 of 7.26% coupon unsecured loan notes on 10 June 2010 issued by the company. During the year the company repaid £79 255 (2011 £nil). Caring 4 Croydon Holdings Limited has in turn received corresponding commitments from its shareholders in proportion to their shareholdings.

	2012	2011
	£	£
Maturity of debt		
Less than one year	619,100	563 539
Between one and two years	513,973	396 897
Between two and five years	1,926,126	1 667 375
In more than five years	<u>22,679,365</u>	<u>23 754 357</u>
	<u>25,738,564</u>	<u>26 382 168</u>

The Bank borrowings relate to loan facilities granted to the company. Interest is charged on amounts drawn under the facilities based on floating LIBOR. The company has entered into interest hedging agreements to be applied to the expected future borrowings under the facilities.

Bank	Rate	End repayment	Fair value (£)
Allied Irish Banks P.L.C.	4.685% plus margins	January 2037	2 140 952

9 Share capital

Allotted, called up and fully paid shares

	2012		2011	
	No	£	No	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10 000</u>	<u>10 000</u>

10 Dividends

	2012	2011
	£	£
Dividends paid		
Current year interim dividend paid (£18 per share)	<u>180,000</u>	<u>-</u>

Caring 4 Croydon Limited

Notes to the Financial Statements for the Year Ended 31 March 2012

11 Reserves

	Profit and loss account £
At 1 April 2011	182 451
Profit for the year	124 764
Interim dividend paid	(180 000)
At 31 March 2012	<u>127 215</u>

12 Related party transactions

During the year the company made the following related party transactions

UME Group LLP

(Intermediate parent company)

Administrative services were provided by companies related to UME Group LLP at a cost of £65 000 (2011 £65 000) during the year to 31 March 2012. At the balance sheet date the amount due to UME Group LLP was £nil (2011 £nil).

Geoffrey Osborne Limited

(a shareholder of the parent company until 11 August 2011)

Construction services were provided by companies related to Geoffrey Osborne Limited in the year to 31 March 2011 at a cost of £209 306. At the balance sheet date the amount due to Geoffrey Osborne Limited was £nil (2011 £73 436).

Eldon Housing Association Limited

(a shareholder of the parent company)

Facility management fees of £1 188 475 (2011 £943 036) were charged by Eldon Housing Association Limited, a shareholder of the company, during the year to 31 March 2012. At the balance sheet date the amount due from/(to) Eldon Housing Association Limited was £39 102 (2011 (£55 367)).

13 Ultimate parent company and controlling party

The immediate parent company of Caring 4 Croydon Limited is Caring 4 Croydon Holdings Limited, a company incorporated in England and Wales. The share capital of Caring 4 Croydon Holdings Limited is held by UME PFI Investments Limited (50%), Infrastructure Intermediaries No 1 Limited (25%) and Eldon Housing Association Limited (25%), companies registered in England and Wales.

The smallest group in which the results of the company are consolidated is headed by UME Group LLP, a Limited Liability Partnership incorporated in England and Wales. Copies of UME Group LLP financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The company's ultimate parent company and controlling entity is United Medical Enterprises Group Limited, BC 343764, a company incorporated in the British Virgin Islands. This company is the largest group in which the results of the company are consolidated.