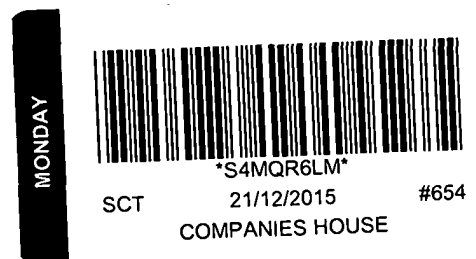


Lighthouse Healthcare Limited

REPORT AND FINANCIAL STATEMENTS

31 March 2015



Company Registration No. 05820919

Lighthouse Healthcare Limited

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Lighthouse Healthcare Limited

DIRECTORS AND ADVISORS

DIRECTORS

JC Ball
NGA Ktori

REGISTERED OFFICE

2nd Floor Bezant House
Bradgate Park View
Chellaston
Derbyshire
DE73 5UH

AUDITOR

RSM UK Audit LLP
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

Lighthouse Healthcare Limited

STRATEGIC REPORT

The directors have pleasure in submitting their Strategic Report for Lighthouse Healthcare Limited for the year ended 31 March 2015.

BUSINESS REVIEW

The directors consider the performance of the company to be satisfactory.

The company's patients and service users are mainly funded by the public sector. During the year the company has continued to put significant effort into building relationships with NHS commissioners, local authorities and other public sector purchasing agencies.

An important part of the company's activities is the strength of its property portfolio of healthcare facilities. In this context, the company's strategy includes the on-going economic development of the property portfolio and a regular refurbishment programme.

KEY PERFORMANCE INDICATORS

Financial Performance

The company prepares detailed financial budgets for all of its facilities and operations, against which actual performance is monitored. A key area is occupancy and the company monitors levels in order to manage profitability.

Quality and Compliance with Regulations

The company operates in a highly regulated environment, being registered with the Care Quality Commission. The quality of care provided by the company and its compliance with regulation are monitored in a structured manner and subject to continuous review by the senior managers and executive directors.

Position at the year end

The company's performance against these measures was satisfactory at the year end.

RISKS AND UNCERTAINTIES

The company is exposed to a variety of risks that could affect the performance of the business. The Board is responsible for maintaining a risk management programme that seeks to identify, manage and mitigate business risk.

Lighthouse Healthcare Limited

STRATEGIC REPORT

Customer and Price risk

The company's main customer is the NHS and any changes in government purchasing policy away from the independent sector would constitute a risk. NHS, government bodies and local authorities will be under pressure to cut spending, which represents a risk to the business in terms of fees for new admissions and inflationary increases on fees for existing users of the services. Wherever possible the company mitigates price risk through negotiating long term contracts for patients and service users with fixed price agreements and it is committed to working with its purchasers to find solutions that provide demonstrable value for money. In an increasingly competitive market, the strategy is to continue to focus on providing high quality person-centred services at fee levels which are competitive and represent good value.

Credit risk

The company has limited exposure to this risk as counterparties are all local NHS, governmental departments and local authorities.

Health and safety risk

Due to the nature of the company's operations, an independent adviser monitors health and safety risk in conjunction with the operations team, to ensure that company policies are adhered to.

By order of the board



JC Ball
Director

13 December 2015

Lighthouse Healthcare Limited

DIRECTORS' REPORT

The directors present their report and the audited financial statements for the year ended 31 March 2015.

The directors have not disclosed the following sections of the Directors' Report "Business Review; Key Performance Indicators; and Risks and Uncertainties" as these have been included within the Strategic Report on page 2.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of an intermediate holding company, providing a support office and financing function for its subsidiaries. The principal activity of the group is the provision of learning disability and mental health services.

RESULTS AND DIVIDENDS

The results for the year are shown in the profit and loss account on page 8.

No dividend has been paid in the year (2014: £nil).

On 28 August 2014, the entire share capital of Lighthouse Healthcare Limited was acquired by Lighthouse Healthcare Group Limited (formerly Shoo 780AA Limited) as part of a wider restructuring of the group's debt facilities. All outstanding balances on the company's external debt facilities comprising the Bank Loan, Other Loan and Loan stock were assumed by Lighthouse Healthcare Group Limited as part of this process.

The resultant intercompany loan due to Lighthouse Healthcare Group Limited was then settled in full following a capital contribution to Lighthouse Healthcare Limited from Lighthouse Healthcare Group Limited.

These financial statements therefore present information about the company as an individual undertaking and not about its group, with consolidated financial statements prepared by the company's holding company, Lighthouse Healthcare Group Limited (formerly Shoo 780AA Limited).

EMPLOYEE INVOLVEMENT AND DISABLED PERSONS

The company's policy is to consult and discuss with employees matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the regular and frequent financial and economic factors affecting the company's performance.

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made wherever possible for retraining employees who become disabled to enable them to perform work identified as appropriate to their aptitudes.

DIRECTORS

The directors who have held office since 1 April 2014 were as follows:

JC Ball

G Delaney-Smith (resigned 11th December 2014)

NGA Ktori (appointed 28th August 2014)

Lighthouse Healthcare Limited

DIRECTORS' REPORT

FUTURE DEVELOPMENTS

The directors expect funding in the healthcare sector to remain constrained, which represents a challenge to the business in the short term. Following the restructuring of the group's financing facilities on 28 August 2014, the directors consider the group to be better placed to pursue development opportunities to reposition and grow the business over the medium term, and by providing services in line with commissioning trends. In the meantime, the group will continue to seek to protect its income stream and tightly control costs.

The directors expect the future performance of the group to be satisfactory.

FINANCIAL INSTRUMENTS

The company operates its business using bank and cash balances, and continues to be supported by its parent company, Lighthouse Healthcare Group Limited. As such, all financial matters are dealt with at a group level. The company does not hold any financial derivative instruments.


AUDITOR

RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP), Chartered Accountants, was appointed auditor by the company at 20 July 2010. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and therefore RSM UK Audit LLP will continue in office.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

By order of the board



JC Ball
Director

18 December 2015.

Lighthouse Healthcare Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report and 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 affairs of the company and of the profit or loss of the company for that period.

In preparing those financial statements, the directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. 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 LIGHTHOUSE HEALTHCARE LIMITED

We have audited the financial statements on pages 8 to 21. 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 more fully explained in the Directors' Responsibilities Statement set out on page 6, 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 <http://www.frc.org.uk/auditscopeukprivate>.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

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.

RSM UK AUDIT LLP

JONATHAN LOWE (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly Baker Tilly UK Audit LLP), Statutory Auditor
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

21 December 2015

Lighthouse Healthcare Limited

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
TURNOVER		-	-
Administrative expenses		(2,114)	(1,601)
Other operating income		1,860	1,890
		<hr/>	<hr/>
(LOSS) / PROFIT BEFORE INTEREST AND TAX		(254)	289
Loan stock interest written back	10	2,322	-
Interest receivable and similar income	2	35	314
Swap break costs	10	(1,642)	-
Interest payable and similar charges	3	(1,287)	(4,714)
		<hr/>	<hr/>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION	2-4	(826)	(4,111)
Taxation	5	471	737
		<hr/>	<hr/>
LOSS FOR THE FINANCIAL YEAR	12	(355)	(3,374)
		<hr/>	<hr/>

The turnover and operating loss for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

Lighthouse Healthcare Limited

BALANCE SHEET

At 31 March 2015

	Note	2015		2014	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	6		44,709		45,236
Tangible fixed assets	7		2,940		2,913
			<u>47,649</u>		<u>48,149</u>
CURRENT ASSETS					
Debtors – (of which £5,722,000 (2014: £3,049,000) is due after more than one year)	8	5,722		3,514	
Cash at bank and in hand		1,338		2,158	
		<u>7,060</u>		<u>5,672</u>	
CREDITORS: Amounts falling due within one year	9	(364)		(8,866)	
NET CURRENT ASSETS/(LIABILITIES)			<u>6,696</u>		<u>(3,194)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>54,345</u>		<u>44,955</u>
CREDITORS: Amounts falling due after more than one year	10		(16,567)		(89,696)
NET LIABILITIES			<u>37,778</u>		<u>(44,741)</u>
CAPITAL AND RESERVES					
Called up share capital	11		-		-
Share premium account	12		7,000		7,000
Other reserve	12		82,874		-
Profit and loss account	12		(52,096)		(51,741)
SHAREHOLDERS' FUNDS/(DEFICIT)			<u>37,778</u>		<u>(44,741)</u>

The financial statements on pages 8 to 21 were approved by the board and authorised for issue on 18 December 2015 and are signed on its behalf by:



NGA Ktori
Director

Company Registration No. 05820919

Lighthouse Healthcare Limited

RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

for the year ended 31 March 2015

	Note	2015 £'000	2014 £'000
LOSS FOR THE FINANCIAL YEAR		(355)	(3,374)
Net addition to shareholder's deficit		(355)	(3,374)
Capital reserve created	12	82,874	-
Opening shareholder's deficit		82,519 (44,741)	(3,374) (41,367)
CLOSING SHAREHOLDER'S FUNDS/(DEFICIT)		37,778	(44,741)

Lighthouse Healthcare Limited

ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

BASIS OF PREPARATION

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

These financial statements present information about the company as an individual undertaking and not about its group, with consolidated financial statements prepared by the company's holding company, Lighthouse Healthcare Group Limited.

The company has taken advantage of the exemption contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the Lighthouse Healthcare Group Limited group of companies and are 100% owned.

GOING CONCERN

The financial statements have been prepared on the going concern basis, which assumes that the company will be able to continue to trade for the foreseeable future. A written pledge has been made between the holding company, Lighthouse Healthcare Group Limited and Lighthouse Healthcare Limited to offer support to ensure that the company can continue to trade to meet its liabilities as they fall due.

The group is reliant on publically funded organisations and, given the ongoing funding constraints in the NHS and local authorities, the market remains challenging. The group continues to focus on winning long term contracts and securing framework agreements to ensure a level of cashflow certainty and on tightly controlling staff costs in services where occupancy levels vary. The business also seeks to enter into group purchasing contracts to realise efficiencies on non-staff cost lines. As a consequence, the directors believe that the group is well placed to manage its business risks successfully despite the ongoing public sector funding constraints.

Following the restructuring of the group's financing facilities on 28 August 2014, the group has bank facilities in place until October 2018, with headroom on current and forecast performance to meet its obligations as they fall due. Post restructure, the group has hedged 50% of its bank debt to mitigate the risk of increased interest costs.

The directors have a reasonable expectation that the group has adequate resources to meet its financial obligations for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the annual financial statements.

INVESTMENTS

Fixed asset investments are stated at cost. Provision is made for any impairment in the value of fixed asset investments.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets other than freehold land at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

Freehold buildings	-	50 years straight line
Plant and equipment	-	3 to 10 years straight line

All costs in relation to new developments are capitalised up to the date of registration.

Lighthouse Healthcare Limited

ACCOUNTING POLICIES

LEASED ASSETS AND OBLIGATIONS

Leases that do not give rights approximating to ownership are accounted for as 'operating leases' and the rental charges are charged to the profit and loss account on a straight line basis over the life of the lease.

RETIREMENT BENEFITS

The company operates a defined contribution scheme. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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 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. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in years different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the years in which 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.

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 company after deducting all of its liabilities.

Lighthouse Healthcare Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1	(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2015 £'000	2014 £'000
	Loss on ordinary activities before taxation is stated after charging: Amounts payable to RSM UK Audit LLP and associates in respect of both audit and non-audit services are as follows		
	- Audit of company	7	7
	- Audit of parent company	4	-
	- Audit of subsidiaries	26	26
	- Taxation compliance services	8	8
	- Taxation advisory services	1	-
	Depreciation of tangible fixed assets:		
	- Owned	96	94
	Operating lease rental:		
	- Property	23	23
	- Other	1	1
	Impairment of investments (note 6)	527	-
		<u> </u>	<u> </u>
2	INTEREST RECEIVABLE AND SIMILAR INCOME	2015 £'000	2014 £'000
	Bank Interest receivable	1	1
	Release of finance costs	34	313
		<u> </u>	<u> </u>
		35	314
		<u> </u>	<u> </u>
3	INTEREST PAYABLE AND SIMILAR CHARGES	2015 £'000	2014 £'000
	Bank loan interest	715	2,991
	Other interest	572	1,314
	Interest on loan stock	-	409
		<u> </u>	<u> </u>
		1,287	4,714
		<u> </u>	<u> </u>

Lighthouse Healthcare Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

4 EMPLOYEES

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

	2015 Number	2014 Number
Directors	2	3
Management and administration	15	15
	<u>17</u>	<u>18</u>

The aggregate payroll costs of these persons were as follows:

	2015 £'000	2014 £'000
Wages and salaries	899	795
Social security costs	105	93
Pension costs	41	31
	<u>1,045</u>	<u>919</u>

DIRECTORS' REMUNERATION

	2015 £'000	2014 £'000
Aggregate emoluments	277	176
Sums charged by third parties for directors' services	-	57
Company pension contributions	19	13
	<u>296</u>	<u>246</u>

Director emoluments disclosed above include the following payments to the highest paid director:

	2015 £'000	2014 £'000
Emoluments	201	176
Company contributions to money purchase schemes	13	13
	<u>214</u>	<u>189</u>

The number of directors to whom retirement benefits are accruing under:

	2015 Number	2014 Number
Money purchase schemes	2	1

Lighthouse Healthcare Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

5 TAXATION

a) Analysis of credit in the year:	2015 £'000	2014 £'000
UK corporation tax	-	-
Payment for group relief	(524)	(742)
Adjustment in respect of prior years	53	5
Total current tax credit	(471)	(737)
Deferred taxation:		
Origination and reversal of timing differences	-	-
Tax credit on loss on ordinary activities	(471)	(737)

b) Factors affecting tax credit for the year

The tax assessed for the year is lower (2014: higher) than the standard rate of corporation tax in the UK being 20% (2014: 20%). The differences are explained below:

	2015 £'000	2014 £'000
Loss on ordinary activities before taxation	(826)	(4,111)
Corporation tax credit at the standard rate 20% (2014: 20%)	(165)	(822)
Expenses not deductible for tax purposes	10	9
Capital allowances in excess of depreciation	(27)	(4)
Other timing differences	(354)	82
Transfer pricing adjustment	(31)	(110)
Worldwide debt cap interest disallowance	-	27
Tax losses carried forward	43	76
Adjustment in respect of prior years	53	5
Current year tax credit	(471)	(737)

Provision for deferred tax has been made as follows:

	2015		2014	
	Provided £'000	Unprovided £'000	Provided £'000	Unprovided £'000
Difference between accumulated depreciation and capital allowances	74	-	48	-
Other timing differences	-	(1)	-	(460)
Tax losses	(74)	(358)	(48)	(310)
	-	(359)	-	(770)

Lighthouse Healthcare Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

6 INVESTMENTS

	Shares in group undertakings £'000
Cost	
At beginning and end of year	57,913
Amounts written off	
At beginning of year	12,677
Provision for impairment	527
At end of year	13,204
Net book value	
At 31 March 2015	44,709
At 31 March 2014	45,236

The company holds more than 20% of the equity (and no other share or loan capital) of the following undertakings:

<i>Company</i>	<i>Principal activity</i>	<i>Percentage and class of share held</i>
Acorn Care Limited	Provision of nursing care	100% Ordinary
Acorn Care (Welshpool) Limited	Provision of nursing care	100% Ordinary
Healthline Individual Care Limited	Provision of nursing care	100% Ordinary
Field House (Alfreton) Limited	Provision of nursing care	100% Ordinary

During the year, a permanent impairment was recognised in respect of the investment in Acorn Care (Welshpool) Limited. This follows a repositioning of the hospital's service offering during the year which has reduced the expected enterprise value of the income generating unit. The expected enterprise values were calculated using forecast cash flows to March 2019, growth in fees of 1%-1.5% from March 2016 and a discount rate of 4.5% per annum.

Lighthouse Healthcare Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

7 TANGIBLE FIXED ASSETS

	Freehold land and buildings £'000	Plant and equipment £'000	Total £'000
Cost			
At beginning of year	2,999	310	3,309
Additions	-	123	123
	<hr/>	<hr/>	<hr/>
At end of year	2,999	433	3,432
	<hr/>	<hr/>	<hr/>
Depreciation			
At beginning of year	207	189	396
Charge for the year	56	40	96
	<hr/>	<hr/>	<hr/>
At end of year	263	229	492
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 2015	2,736	204	2,940
	<hr/>	<hr/>	<hr/>
At 31 March 2014	2,792	121	2,913
	<hr/>	<hr/>	<hr/>

8 DEBTORS

	2015 £'000	2014 £'000
<i>Due within one year:</i>		
Prepayments and accrued income	-	465
	<hr/>	<hr/>
	-	465
<i>Due after more than one year:</i>		
Amounts owed by parent company	2,961	-
Amounts owed by group undertakings	2,761	3,049
	<hr/>	<hr/>
	5,722	3,514
	<hr/>	<hr/>

9 CREDITORS: Amounts falling due within one year

	2015 £'000	2014 £'000
Bank loan (net of amortised arrangement fees of £nil) (2014: £128,000)	-	7,518
Trade creditors	118	138
Other taxation and social security costs	80	63
Other creditors	9	255
Accruals and deferred income	157	892
	<hr/>	<hr/>
	364	8,866
	<hr/>	<hr/>

Lighthouse Healthcare Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

10 CREDITORS: Amounts falling due after more than one year

	2015 £'000	2014 £'000
Bank loan (net of amortised arrangement fees of £nil (2014: £308,000))	-	55,880
Other Loan	-	14,758
Loan stock	-	4,322
Amounts owed to group undertakings	16,567	14,736
	<u>16,567</u>	<u>89,696</u>

At 31 March 2014, the following arrangements were in place:

The bank loan, of which £5,000,000 was in the form of an on demand facility, was repayable by quarterly instalments until 1 July 2017, with a final bullet payment in October 2017.

The bank loan bore interest at 3% above LIBOR. At the year end, the all-in rate was 3.53%.

£1,500,000 of the Other Loan was in the form of an on demand facility. The Other Loan falling due after more than one year was repayable on 18 October 2017 and bore interest at 8% above LIBOR. At the year end the all-in rate was 8.51%.

All bank and other loans were secured against all of the freehold property owned by the group by way of legal mortgage.

The loan stock was due for repayment on 18 October 2017. The stock bore interest at 10% per annum on a monthly compounded basis.

On 28 August 2014, the entire share capital of Lighthouse Healthcare Limited was acquired by Lighthouse Healthcare Group Limited (formerly Shoo 780AA Limited) as part of a wider restructuring of the group's debt facilities. As part of this restructuring, swap break costs of £1,642k were incurred, and £2,322k of accrued loan stock interest was written back. All outstanding balances on the company's external debt facilities comprising the Bank Loan, Other Loan and Loan stock were assumed by Lighthouse Healthcare Group Limited as part of this process.

The resultant intercompany loan due to Lighthouse Healthcare Group Limited was then settled in full following a capital contribution to Lighthouse Healthcare Limited from Lighthouse Healthcare Group Limited.

Details of the group's restructured debt facilities as at 31 March 2015 are shown in the statutory accounts for Lighthouse Healthcare Group Limited.

	2015 £'000	2014 £'000
Analysis of debt maturity		
Amounts payable:		
In one year or less or on demand	-	7,638
In more than one year but not more than two years	-	1,272
In more than two years but not more than five years	-	73,363
	<u>-</u>	<u>82,273</u>

Lighthouse Healthcare Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

11 CALLED UP SHARE CAPITAL

	2015 £'000	2014 £'000
ALLOTTED, CALLED UP AND FULLY PAID		
16,327 Ordinary Shares of 1 pence each	-	-
9,200 Ordinary A shares of 1 pence each	-	-
1,855 Ordinary B shares of 1 pence each	-	-
4,213 Ordinary C shares of 1 pence each	-	-
1,059 Ordinary D shares of 1 pence each	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

Prior to 28 August 2014, the Ordinary A shares and Ordinary C shares ranked pari passu as regards voting rights and entitlement to dividends. The Ordinary D shares had no voting rights but had an entitlement to dividends. The Ordinary B shares had no voting rights and no entitlement to dividends.

In the event of an exit, the first £35 million of equity was to be distributed pari passu amongst the Ordinary A shares, Ordinary C shares and Ordinary D shares, and any excess over this sum (the excess equity value) was to be distributed equally amongst all shareholders, save that all of the C ordinary shares then in issue would not have been entitled to less than 27.5% of the excess equity value.

On a return of assets on liquidation or capital reduction or otherwise, the assets of the company were to be applied as follows:

- (a) First in paying to the Ordinary shareholders the issue price of each Ordinary shares; and
- (b) the balance of such assets was to be distributed amongst the A Ordinary Shareholders and the C Ordinary Shareholders (pari passu, as if the A Ordinary Shares and C Ordinary Shares constituted one class of share), save where such assets were being returned following an exit

On 28 August 2014, the entire share capital of the company was acquired by Lighthouse Healthcare Group Limited.

New subsidiary articles of association were subsequently adopted, and all classes of the shares were reclassified as Ordinary Shares of £0.01 in the capital of the company.

12 RESERVES

	Other Reserve £'000	Share premium account £'000	Profit and loss account £'000
At beginning of year	-	7,000	(51,741)
Loss for the financial year	-	-	(355)
Capital Contribution	82,874	-	-
	<u>82,874</u>	<u>7,000</u>	<u>(52,096)</u>
At end of year	82,874	7,000	(52,096)

As referred to in note 10, a capital contribution of £82,874,000 was made immediately following the acquisition of the company by Lighthouse Healthcare Group Limited.

Lighthouse Healthcare Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

13 COMMITMENTS UNDER OPERATING LEASES

Annual commitments under non-cancellable operating leases are as follows:

	2015 Property £'000	2015 Other £'000	2014 Property £'000	2014 Other £'000
Operating leases which expire:				
Within one year	-	1	-	-
Between one and two years	-	-	-	1
Between two and five years	23	-	23	-
	<u>23</u>	<u>-</u>	<u>23</u>	<u>-</u>

14 PENSION SCHEME

The company operates a defined contribution pension scheme that is administered independently to the company. The contributions for the year were £41,000 (2014: £31,000). There was £5,000 (2014: £3,000) of outstanding contributions at the end of the year.

15 CONTINGENT LIABILITIES

As at 31 March 2015, the company, along with other members of the Lighthouse Healthcare Group Limited group, was a guarantor in respect of the syndicated parent company loan with the Bank of Scotland and Alcentra Mezzanine No 1 S.a.r.l., Alcentra Mezzanine QPAM S.a.r.l., Shiofra 1 S.a.r.l., and Shiofra 2 S.a.r.l., together "the Alcentra lenders". At the balance sheet date the loan outstanding amounted to £36,200,000 (2014: £62,334,000).

As at 31 March 2014, the loan was held by Lighthouse Healthcare Limited, but was amended and novated to Lighthouse Healthcare Group Limited under the financial restructuring of the group completed on 28 August 2014.

Up until 28 August 2014, the company was also a guarantor, along with other members of the Lighthouse Healthcare Limited group, in respect of the parent company loans with the Alcentra lenders. These loans were satisfied in full as part of the financial restructuring on 28 August 2014. At the balance sheet date the loans outstanding amounted to £nil (2014: £16,259,000).

The loans were secured by legal charges dated 19 October 2007 and 22 December 2009 securing the debt against the company's freehold property by way of a fixed charge and the remainder of the company's assets by way of a floating charge. In terms of security, the Alcentra debt ranked secondary to the Bank of Scotland senior debt.

Following the financial restructuring of the group completed on 28 August 2014, the legal charge dated 22 December 2009, in favour of the Alcentra lenders only, was released. At the same time, the company entered into an additional debenture in favour of the Bank of Scotland as security trustee for the Bank of Scotland and the Alcentra lenders.

Lighthouse Healthcare Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

16 ULTIMATE PARENT COMPANY

The directors consider that the ultimate parent undertaking as at 31 March 2015 is the company's immediate parent, Lighthouse Healthcare Group Limited.

The consolidated accounts of Lighthouse Healthcare Group Limited are the only consolidated accounts which include the results of Lighthouse Healthcare Limited, and are available from:

The Registrar of Companies
Companies House
Crown Way
Cardiff
CF14 3UZ