

Care Management Group (Acquisition) Limited

Annual Report and Financial Statements

For the year ended 28 February 2019

Registered number: 05867920



Care Management Group (Acquisition) Limited

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Care Management Group (Acquisition) Limited

Officers and professional advisers

Directors

P Kinsey
D Spruzen
G J Fitton

Secretary

G J Fitton

Registered Office

First Floor
Q4 The Square
Randalls Way
Leatherhead
Surrey
KT22 7TW

Bankers

NatWest
PO Box 3415
Bishopsgate
London
EC2P 2AP

Auditor

Deloitte LLP
Statutory Auditor
London
United Kingdom

Care Management Group (Acquisition) Limited

Directors' report

The directors present their annual report and the audited financial statements for the year ended 28 February 2019.

The directors' report has been prepared in accordance with the provisions applicable to Companies entitled to the small companies exemption. Accordingly, the directors have elected to exercise the exemption available to small companies from preparing a strategic report.

Principal activity

The principal activity of CMG (Acquisition) Limited "the Company" is to act as an intermediate holding Company for CMG Holdco and its subsidiaries ("CMG Group") whose principal activity is providing residential care, outreach care and supported living services for people with learning disabilities and complex needs including mental health needs.

Results, dividends and future developments

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The Company made a profit of £8,059,000 (2018: loss of £2,643,000) after impairment reversal of £13,165,000 (2018:£ nil). The Company did not pay a dividend during the year (2018: £nil).

No change to the Company's operations is expected in the foreseeable future and no post balance sheet events have occurred at the date of signing these accounts.

Going concern

CMG (Acquisition) Limited is part of the CMG Group, of which CMG Holdco Limited was the previous parent Company. On 10 December 2018 the entire share capital of CMG Holdco Limited was acquired by Galaxy Group Bidco Limited, a wholly owned subsidiary of Galaxy Group Midco Limited (together with its subsidiaries will be referred as "the Galaxy Group"). The directors have carefully considered the going concern basis underlying the preparation of the financial statements.

Recent trading activity across the CMG Group and the Company has been in line with expectations. Referral levels have been maintained during the year and the quality of the services continued to improve which in turn lead to improved occupancy levels. This occupancy growth is expected to continue in the following year. The Group is cash generative and funds have continued to be reinvested to increase capacity levels and drive growth.

The Company is party to cross guarantees for the bank debts due by all companies within the Galaxy Group. The directors have a reasonable expectation that the Galaxy Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

Management have prepared detailed forecasts for the Galaxy Group for the period to February 2021. Net debt levels, servicing costs and covenant requirements are closely monitored and managed according to strict management processes. Management have considered the expected availability of working capital and achievement of covenants required.

The directors believe that the Galaxy Group and the Company are well placed to manage its risks successfully despite the current economic conditions which create uncertainty.

Based on their forecast review and other factors described above, the directors have a reasonable expectation that the Company and the Galaxy Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

Directors

The directors who served the Company during the year and since the year end are set out on page 1.

Principal risks and uncertainties

The directors have assessed the level of risk within the business and believe it to be similar to comparable UK based care and support organisations, where sound working capital management and good purchaser relations are essential to the future well-being of the Company. The directors believe that the current controls and processes within the business are appropriate and adequate to achieve this position.

Care Management Group (Acquisition) Limited

Directors' report (continued)

The possible economic and legislative changes arising as a result of the UK's repositioning of its relationship with the European Union is outside the Company's control. The directors continually monitor the economic and legislative position and believe they are well placed to address any changes as and when they might arise.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

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

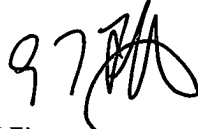
This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12.

Approved by the Board of Directors and signed on behalf of the Board on 2 August 2019.


G J Fitton
Director

Registered Office

First Floor
Q4 The Square
Randalls Way
Leatherhead
Surrey
KT22 7TW

Care Management Group (Acquisition) Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual 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) including FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland". Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 Care Management Group (Acquisition) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Care Management Group (Acquisition) Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 28 February 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

Independent auditor's report to the members of Care Management Group (Acquisition) Limited (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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

We have nothing to report in respect of these matters.

Use of our report

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.



Timothy Steel ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

12 August 2019

Care Management Group (Acquisition) Limited

Profit and loss account For the year ended 28 February 2019

	Notes	2019 £'000	2018 £'000
Administrative expenses		95	132
Interest payable and similar charges	3	(5,201)	(2,775)
Reversal of impairment charge on investment	5	13,165	-
Profit/(Loss) before taxation	2	8,059	(2,643)
Taxation	4	-	-
Profit/(Loss) for the financial year		8,059	(2,643)

All results derive from continuing operations.

There are no recognised gains or losses for the current or preceding year other than as stated in the profit and loss account. Accordingly, no separate statement of comprehensive income has been presented.

The accompanying notes on pages 10 to 17 form part of the financial statements.

Care Management Group (Acquisition) Limited


Balance sheet As at 28 February 2019

	Notes	2019 £'000	2018 £'000
Investments	5	77,400	64,235
Current assets			
Cash at bank and in hand		135	528
Debtors	6	48,291	48,313
		48,426	48,841
Creditors: amounts falling due within one year	7	(1,119)	(5,352)
Net current assets		47,307	43,489
Total assets less current liabilities		124,707	107,724
Creditors: amounts falling due after more than one year	8	(102,572)	(93,648)
Net assets		22,135	14,076
Capital and reserves			
Called up share capital	9	-	-
Profit and loss account		22,135	14,076
Total shareholder's funds		22,135	14,076

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements of Care Management Group (Acquisition) Limited (registered number 05867920) were approved by the Board of Directors and authorised for issue on 2 August 2019.

They were signed on its behalf by:



G J Fitton
Director

Care Management Group (Acquisition) Limited

Statement of Changes in Equity For the year ended 28 February 2019

	Called-up share capital £'000	Profit and loss account £'000	Total £'000
At 28 February 2017	-	16,719	16,719
Loss for the financial year	-	(2,643)	(2,643)
At 28 February 2018	-	14,076	14,076
Profit for the financial year	-	8,059	8,059
At 28 February 2019	-	22,135	22,135

Care Management Group (Acquisition) Limited

Notes to the financial statements For the year ended 28 February 2019

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. These have been applied consistently throughout the current and preceding years.

a. General information and basis of accounting

Care Management Group (Acquisition) Limited is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Care Management Group (Acquisition) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Care Management Group (Acquisition) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Care Management Group (Acquisition) Limited is consolidated in the financial statements of its ultimate parent, CMG Holdco Limited, which may be obtained from the registered office shown on page 1. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

b. Going concern

The financial statements have been prepared using the going concern basis of accounting.

The Company is a member of the group headed by Galaxy Group Midco Limited and guarantees the obligations of the Galaxy Group's borrowers under the facilities agreements. Disclosures relating to the going concern assumption adopted by Galaxy Group Midco Limited are included in the accounts of that Company.

The directors have carefully considered the going concern basis underlying the preparation of the financial statements.

Recent trading activity has been in line with expectations. Referral levels have been maintained during the year and the quality of the services continued to improve which in turn lead to improved occupancy levels. This occupancy growth is expected to continue in the following year. The business is cash generative and funds have continued to be reinvested to increase capacity levels and drive growth.

Management have prepared detailed forecasts for the period to February 2021. Net debt levels, servicing costs and covenant requirements are closely monitored and managed according to strict management processes. Management have considered the expected availability of working capital and achievement of covenants required.

The directors believe that the Group and the Company are well placed to manage its risks successfully despite the current economic conditions which create uncertainty.

Based on their forecast review and other factors described above, the directors have a reasonable expectation that the Company and the Galaxy Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

Care Management Group (Acquisition) Limited

Notes to the financial statements (continued) For the year ended 28 February 2019

1. Accounting policies (continued)

c. Consolidation

The Company has taken advantage of the exemption from the requirement to produce consolidated financial statements in accordance with Section 400 of the Companies Act 2006 since the Company is a wholly owned subsidiary undertaking of a UK Company which itself prepares consolidated financial statements. The financial statements therefore present information about the Company as an individual undertaking and not as a Group.

d. Investments

Investments in subsidiaries are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

e. Taxation

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

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse.

f. Financial instruments

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Care Management Group (Acquisition) Limited

Notes to the Financial Statements (Continued) For the year ended 28 February 2019

1. Accounting policies (continued)

g. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in this note, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key source of estimation uncertainty

In applying the Company's accounting policies various transactions and balances are valued using estimates or assumptions. Should these estimates or assumptions prove incorrect, there may be an impact on the following year's financial statements. There are no sources of estimation uncertainty at the end of 2019, that has a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities during 2019

Critical accounting judgements

In the course of preparing the financial statements, no judgements have been made in the process of applying the Company's accounting policies, other than those involving estimations, that have had a significant effect on the amounts recognised in the financial statements.

2. Profit before taxation

A one-off exceptional credit of £116,588 (2018 credit: £164,624) was recognised during the year in relation to a corporate finance project.

The Company's audit fee was borne by a subsidiary undertaking, Care Management Group Limited and was not recharged in the current or preceding year. The audit fee relating to the Company was £6,877 (2018: £6,877). There were no non-audit fees or services in the year (2018: £nil).

Other than the directors, the Company had no employees (2018: none). The directors received remuneration paid by Care Management Group Limited in respect of their services to Group Companies. The portion that relates to the Company is £nil (2018: £nil).

3. Interest payable and similar charges

	2019 £'000	2018 £'000
Interest payable and similar charges:		
On term bank loan	1,733	1,929
On loan from Group Undertaking	1,119	-
Amortisation of loan issue costs	2,349	846
	<u>5,201</u>	<u>2,775</u>

Care Management Group (Acquisition) Limited

Notes to the Financial Statements (Continued) For the year ended 28 February 2019

4. Taxation

There was no tax charge for the year (2018: £nil).

	2019 £'000	2018 £'000
Factors affecting current tax charge for the year		
Profit/(Loss) on ordinary activities before taxation	8,059	(2,643)
Tax on loss at standard UK corporation tax rate of 19% (2018: 19%)	1,531	(504)
Effects of:		
Income not taxable	(2,501)	(31)
Effects of group relief	1,315	868
Transfer pricing adjustment	(327)	(333)
Deferred tax previously not recognised	(18)	-
Current tax charge for the year	-	-

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016.

There is no expiry date on timing differences, unused tax losses or tax credits.

At 28 February 2019, the Company has not recognised a deferred tax asset of £829,208 (2018: £944,781) in respect of carried forward tax losses.

Care Management Group (Acquisition) Limited

Notes to the Financial Statements (Continued) For the year ended 28 February 2019

5. Investments

	Investments in subsidiary undertakings £'000
Cost	
At 1 March 2018 and at 28 February 2019	77,400
Provision for impairment	
At 1 March 2018	(13,165)
Reversal of provision for impairment	13,165
At 28 February 2019	-
Net book value	
At 28 February 2019	77,400
At 28 February 2018	64,235

The directors reassessed the recoverable amount of the investments, in light of the acquisition in the year by AMP Capital Investments (UK) Limited, and determined that the impairment provisions should be reversed.

The following investments were held at the end of the period:

Name of undertaking	Description of shares held	Principal activity	Shareholding
Care Management Group (UK) Limited *	Ordinary shares of £1 each	Dormant Company	100%
Care Management Group (Holdings) Limited	Ordinary shares of £1 each	Dormant Company	100%
Care Management Group Limited	Ordinary shares of £1 each	Running care homes	100%
Care Management Group (Southern) Limited	Ordinary shares of £1 each	Dormant Company	100%
CMG Homes Limited	Ordinary shares of £1 each	Agency services for parent Company	100%
Care Management Group (Cymru) Limited	Ordinary shares of £1 each	Running care homes	100%
Blocklin House Limited	Ordinary shares of £1 each	Dormant Company	100%
Care Management Group Trustees Limited	Ordinary Shares of £1 each	Dormant Company	100%
Victoria House (UK) Limited	Ordinary Shares of £1 each	Dormant Company	100%
Wherewelcome Limited	Ordinary shares of £1 each	Dormant Company	100%
Wherewelcome Care Group Limited	Ordinary Shares of £1 each	Dormant Company	100%
Solent Residential Homes Limited	Ordinary Shares of £1 each	Dormant Company	100%
Pathways (Trebanos) Limited	Ordinary Shares of £1 each	Dormant Company	100%
Alderwood LLA Limited	Ordinary Shares of £1 each	Dormant Company	100%
Farisean Limited	Ordinary Shares of £1 each	Dormant Company	100%
CMG (Enfield) Limited	Ordinary Shares of £1 each	Dormant Company	100%
Helene Care Limited	Ordinary Shares of £1 each	Dormant Company	100%
Sevilles Limited	Ordinary Shares of £1 each	Dormant Company	100%
Philori Care Limited	Ordinary shares of £1 each	Dormant Company	100%
Homes Caring for Autism Limited	Ordinary shares of £1 each	Dormant Company	100%
Somerset HCA Limited	Ordinary shares of £1 each	Dormant Company	100%
Creative Support and Consultancy Limited	Ordinary shares of £1 each	Dormant Company	100%
Penny Meadow Life Skills Limited	Ordinary shares of £1 each	Dormant Company	100%
S. S Care Limited	Ordinary shares of £1 each	Dormant Company	100%

* Investment held directly by Care Management Group (Acquisition) Limited. All other subsidiaries are held indirectly through Care Management Group (UK) Limited.

Care Management Group (Acquisition) Limited

Notes to the Financial Statements (Continued) For the year ended 28 February 2019

5. Investments (continued)

Care Management Group (UK) Limited holds the entire issued share capital and voting rights of Care Management Group (Holdings) Limited and Care Management Group Trustees Limited.

Care Management Group (Holdings) Limited holds the entire issued share capital of Care Management Group Limited, which in turn holds the entire issued share capital of Care Management Group (Southern) Limited, CMG Homes Limited, Care Management Group (Cymru) Limited, Victoria House (UK) Limited, Wherewelive Limited, Wherewelive Care Group Limited, Solent Residential Homes Limited, Pathways (Trebanos) Limited, Alderwood LLA Limited, Farisean Limited, CMG (Enfield) Limited, Helene Care Limited, Seviles Limited, Philori Care Limited, Blocklin House Limited, Homes Caring for Autism Limited, Somerset HCA Limited, Creative Support and Consultancy Limited, Penny Meadow Like Skills Limited and S. S Care Limited.

All subsidiary undertakings have the same registered office as that of the Company. The address is shown on page 1.

6. Debtors: amounts due within one year

	2019 £'000	2018 £'000
Prepayments and accrued income	-	22
Amounts owed by subsidiary undertakings	48,291	48,291
	<u>48,291</u>	<u>48,313</u>

Amounts owed by Group undertakings are unsecured and are interest free. Amounts could be requested on demand at the discretion of the directors of the Company so are presented as current.

7. Creditors: amounts falling due within one year

	2019 £'000	2018 £'000
Bank loans	-	5,194
Accruals and deferred income	1,119	158
	<u>1,119</u>	<u>5,352</u>

Care Management Group (Acquisition) Limited

Notes to the Financial Statements (Continued) For the year ended 28 February 2019

8. Creditors: amounts falling due after more than one year

	2019 £'000	2018 £'000
Bank loans	-	56,728
Amounts owed to Group undertakings	102,572	36,920
	<u>102,572</u>	<u>93,648</u>

	2019 £'000	2018 £'000
Bank loans		
Between one and two years	-	5,194
Between two and five years	-	59,077
After 5 years	-	-
	<u>-</u>	<u>64,271</u>

The above amounts reflect the amounts repayable in principal, and do not include the unamortised issue expenses of £nil (2018: £2,349,087). The interest applied for loans to the Galaxy Group is 8%.

The lenders have confirmed that they would not demand repayment of the intercompany balance if it was to impact the going concern position of the Company.

9. Share Capital

	2019 £	2018 £
Called up, allotted and fully paid up		
1 ordinary share of £1	<u>1</u>	<u>1</u>

10. Financial commitments

The Company is party to cross guarantees for the bank debts due on all Companies within the Galaxy Group Midco Limited Group. The previous bank loans were fully repaid in the financial year and these loans have been replaced with an intercompany loan with Galaxy Group Bidco Limited. Total amounts due as at 28 February 2019 amounted to £230.1m (2018: £nil). The Company's assets are securitised against the loan held.

11. Related party transactions

The Company has taken the exemption provided under FRS 102 to not disclose intercompany transactions between members of the Group where the entities are wholly owned by the parent Company.

No loans are held or have been held at any time during the year between the Company and a director.

The key management personnel of the Company are also the key management personnel of the Group and other group companies. Management do not believe it is possible to assign these costs to each individual Company. Disclosure of key management personnel costs are disclosed in the accounts of Galaxy Group Midco Limited.

Care Management Group (Acquisition) Limited

Notes to the Financial Statements (Continued) **For the year ended 28 February 2019**

12. Ultimate parent Company and controlling party

The Company is a subsidiary undertaking of Galaxy Group Bidco Limited and the ultimate Parent Company is AMP Capital Investors (European Infrastructure No 5) S.à r.l. incorporated in Luxembourg. The Company is held by funds managed by AMP Capital Investments (UK) Limited which was incorporated in the UK.

The smallest and largest Group into which the results of Care Management Group (Acquisition) Limited are consolidated is Galaxy Group Bidco Limited and Galaxy Group Midco Limited respectively. The consolidated accounts of both companies may be obtained from the Company's registered address at 3rd Floor 11-12 St. James's Square London SW1Y 4LB.

13. Subsequent events

There were no significant events that occurred after the reporting date.