

Registered number: 06983906

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2015

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COMPANIES HOUSE

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

COMPANY INFORMATION

DIRECTORS

P J Arden
D J Menton
P S Shapiro
M Ward

COMPANY SECRETARY

P J Arden

REGISTERED NUMBER

06983906

REGISTERED OFFICE

Riverside House
Southend Road
Woodford Green
Essex
IG8 8HQ

INDEPENDENT AUDITORS

Smith Cooper Limited
Chartered Accountants & Statutory Auditors
St Helens House
King Street
Derby
DE1 3EE

BANKERS

Bank of Ireland
Bow Bells House
London
EC4M 9BE

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

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CLEARWATER SPECIALIST CARE PARTNERS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2015

BUSINESS REVIEW

The company's principal activity during the period was that of a management company.

The subsidiary business's traded well in the financial year; the average occupancy was over 90%. Fees associated with existing service users in the main have not increased due to Local Authority budget pressures, revenue growth has been due to new service users moving into new sites that we have developed. During this financial year our financial comparatives have benefited from the full year trading of TLCare which was acquired in July 2013. Costs have increased predominantly due to the knock on impact of the minimum wage rates increasing above inflation our figures also reflect the full year of TLCare which was only included in the prior year from August 2013.

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk management objectives and policies

The company reviews trading performance of its subsidiaries including monitoring cash flow on a regular basis to ensure that the loans across the group remain recoverable and to ensure that the bank borrowings continue to be serviced in accordance with the banking covenants. The company's principal financial assets are its investments in its subsidiaries. The company has borrowed money to acquire its subsidiary undertaking, the loans both with the bank and from Clearwater Specialist Care Partners Limited exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are liquidity risk, interest rate risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The company is dependent on cash generation from subsidiary companies.

The group's policy throughout the period has been to achieve expected liquidity through monitoring each subsidiaries key performance indicators including occupancy, staff hours and cash rather than through setting maximum or minimum liquidity ratios. Debtors are regularly reviewed to ensure that liquidity is maintained.

Interest rate risk

The company finances its operations through bank funding and retained profits.

The bank funding is by way of a seven year amortising loan, 50 % of the initial loan was hedged via an interest rate swap for five years.

The interest rate exposure of the financial assets and liabilities of the company as at 31 March is shown in the balance sheet. The balance sheet includes trade debtors and creditors which do not attract interest and are therefore not subject to interest rate risk.

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

**STRATEGIC REPORT (continued)
FOR THE YEAR ENDED 31 MARCH 2015**

Credit risk

The company's principal financial assets are the intercompany debt with subsidiary companies. Trading performance is regularly monitored.

This report was approved by the board on 22/09/2015 and signed on its behalf.



**P J Arden
Director**

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2015

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

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic report, 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

DIRECTORS

The directors who served during the year were:

P J Arden
D J Menton
P S Shapiro
M Ward

FINANCIAL INSTRUMENTS

The company's policy on financial instruments is covered within the Strategic Report.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2015**

AUDITORS

Under section 487(2) of the Companies Act 2006, Smith Cooper Limited will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on *22/09/2015* and signed on its behalf.



P J Arden
Director

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CLEARWATER SPECIALIST CARE PARTNERS LIMITED

We have audited the financial statements of Clearwater Specialist Care Partners Limited for the year ended 31 March 2015, set out on pages 7 to 14. 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 Auditors' 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 AUDITORS

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's 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 Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CLEARWATER SPECIALIST CARE PARTNERS LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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.

Janet Morgan (Senior statutory auditor)
for and on behalf of
Smith Cooper Limited
Chartered Accountants & Statutory Auditors
St Helens House
King Street
Derby
DE1 3EE
Date: 22 September 2015

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2015**

	Note	2015 £	2014 £
TURNOVER	1,2	703,687	599,001
OPERATING PROFIT	3	703,687	599,001
Interest payable and similar charges	5	(703,687)	(599,001)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	-
Tax on profit on ordinary activities	6	(9,248)	(16,261)
LOSS FOR THE FINANCIAL YEAR	12	(9,248)	(16,261)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on pages 9 to 14 form part of these financial statements.

CLEARWATER SPECIALIST CARE PARTNERS LIMITED
REGISTERED NUMBER: 06983906

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	£	2015 £	£	2014 £
FIXED ASSETS					
Investments	7		1,666,667		1,666,667
CURRENT ASSETS					
Debtors	8	6,461,809		5,775,668	
CREDITORS: amounts falling due within one year	9	(1,548,081)		(852,692)	
NET CURRENT ASSETS			<u>4,913,728</u>		<u>4,922,976</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,580,395</u>		<u>6,589,643</u>
CREDITORS: amounts falling due after more than one year	10		<u>(4,972,641)</u>		<u>(4,972,641)</u>
NET ASSETS			<u><u>1,607,754</u></u>		<u><u>1,617,002</u></u>
CAPITAL AND RESERVES					
Called up share capital	11		1,666,667		1,666,667
Profit and loss account	12		<u>(58,913)</u>		<u>(49,665)</u>
SHAREHOLDERS' FUNDS	13		<u><u>1,607,754</u></u>		<u><u>1,617,002</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

22/09/2015



P J Arden
Director

The notes on pages 9 to 14 form part of these financial statements.

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The company is itself a subsidiary company and is exempt from the requirement to prepare group accounts by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover is recognised when services are provided.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)

1.6 Financial instruments

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

Where the contractual obligation of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classified as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are calculated so as to produce a constant rate of return on the outstanding liability.

Issue costs are deducted from the consideration received and amortised on a straight line basis over the term of the loan.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classified as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

2. TURNOVER

The whole of the turnover is attributable to the management charge levied on subsidiaries.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The audit costs for the years to 31 March 2015 and 2014 have been borne by Clearwater Care (Hackney) Limited, a subsidiary undertaking.

4. STAFF COSTS

The company has no employees other than the directors, who did not receive any remuneration (2014 - £NIL).

5. INTEREST PAYABLE

	2015 £	2014 £
Loan interest	<u>703,687</u>	<u>599,001</u>

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

6. TAXATION

	2015 £	2014 £
Analysis of tax charge in the year		
UK corporation tax charge on profit for the year	10,748	11,500
Adjustments in respect of prior periods	(1,500)	4,761
	<u>9,248</u>	<u>16,261</u>
Tax on profit on ordinary activities	<u>9,248</u>	<u>16,261</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2014 - higher than) the standard rate of corporation tax in the UK of 20% (2014 - 21%). The differences are explained below:

	2015 £	2014 £
Profit on ordinary activities before tax	-	-
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2014 - 21%)	-	-
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	21,155	11,500
Adjustments to tax charge in respect of prior periods	(1,500)	4,761
Group relief	(10,407)	-
	<u>9,248</u>	<u>16,261</u>
Current tax charge for the year (see note above)	<u>9,248</u>	<u>16,261</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

7. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2014 and 31 March 2015	<u>1,666,667</u>
Net book value	
At 31 March 2015	<u>1,666,667</u>
At 31 March 2014	<u>1,666,667</u>

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

7. FIXED ASSET INVESTMENTS (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Clearwater Specialist Care Enterprise Limited	Ordinary	100%
Clearwater Care (Group) Limited	Ordinary	100%
Clearwater Care (Hackney) Limited	Ordinary	100%
Amity Residential Care Limited	Ordinary	100%
Greenfield Close Residential Home Limited	Ordinary	100%
TLCare UK Limited	Ordinary	100%

The aggregate of the share capital and reserves as at 31 March 2015 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(loss) £
Clearwater Specialist Care Enterprise Limited	1,444,240	1,500
Clearwater Care (Group) Limited	305,065	-
Clearwater Care (Hackney) Limited	(2,176,924)	(371,626)
Amity Residential Care Limited	316,587	8,808
Greenfield Close Residential Home Limited	200	-
TLCare UK Limited	154,158	1,843

Clearwater Specialist Care Enterprise Limited is a wholly owned subsidiary and this company owns 100% of the issued share capital of Clearwater Care (Group) Limited, and Amity Residential Care Limited. Clearwater Care (Group) Limited owns 100% of the issued share capital of Clearwater Care (Hackney) Limited and Clearwater Care (Hackney) Limited owns 100% of the issued share capital of Greenfield Close Residential Home Limited and TLCare UK Limited.

8. DEBTORS

	2015 £	2014 £
Amounts owed by group undertakings	6,457,109	5,768,618
Prepayments and accrued income	4,700	7,050
	<u>6,461,809</u>	<u>5,775,668</u>

9. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Corporation tax	9,248	11,500
Accruals and deferred income	1,538,833	841,192
	<u>1,548,081</u>	<u>852,692</u>

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2015**

**9. CREDITORS:
Amounts falling due within one year (continued)**

**10. CREDITORS:
Amounts falling due after more than one year**

	2015 £	2014 £
Loan notes	3,677,900	3,677,900
PIK notes	1,294,741	1,294,741
	<u>4,972,641</u>	<u>4,972,641</u>

Clearwater Specialist Care Partners Limited issued on 8 September 2009, loan notes of £1 each with an aggregate value of £3,077,900. The loan notes are redeemable on 31 March 2017, the interest repayment date is March each year and they accrue interest at a rate of 12% compound on each repayment date. The loan notes are subordinated to the BOI funding arrangements within the group. The loan notes are listed on the Channel Islands Stock Exchange (CISX). In 2014, additional loan notes of £1 each with an aggregate value of £600,000 were issued. The additional loan notes are redeemable on 31 March 2017, the interest repayment date is March each year and they accrue interest at a rate of 12% compound on each repayment date. The loan notes are subordinated to the BOI funding arrangements within the group.

The company may issue to relevant loan note holders' payment in kind notes (PIK notes) in full or partial satisfaction of any interest accruing due in respect of outstanding interest on loan notes. the issue of PIK notes will rank ahead of all other loan notes.

11. SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
1,666,667 Ordinary shares of £1 each	<u>1,666,667</u>	<u>1,666,667</u>

12. RESERVES

	Profit and loss account £
At 1 April 2014	(49,665)
Loss for the financial year	(9,248)
	<u>(58,913)</u>
At 31 March 2015	<u>(58,913)</u>

CLEARWATER SPECIALIST CARE PARTNERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2015 £	2014 £
Opening shareholders' funds	1,617,002	1,633,263
Loss for the financial year	(9,248)	(16,261)
Closing shareholders' funds	<u>1,607,754</u>	<u>1,617,002</u>

14. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption in FRS 8 "Related party transactions" and had not disclosed transactions with wholly owned group companies.

At 31 March 2015, loan notes with a value of £3,677,900 and PIK notes with a value of £1,294,741 were held by Synova Capital General Partners 3 Limited, a shareholder. Details of the loan notes and PIK notes are disclosed in note 10.

15. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate controlling party of this company is Clearwater Specialist Care Group Limited incorporated in England & Wales

Clearwater Specialist Care Group Limited is the only parent undertaking to prepare consolidated financial statements. Copies of the group financial statements can be obtained from that company's registered office.