

Crossco (1334) Limited
CONSOLIDATED FINANCIAL STATEMENTS
for the year ended
31 March 2015



Crossco (1334) Limited

STRATEGIC REPORT

for the year ended 31 March 2015

REVIEW OF THE BUSINESS, FUTURE DEVELOPMENTS & MATTERS OF STRATEGIC IMPORTANCE

Trading conditions across the group have proved difficult during the year due to pressures on occupancy levels and Local Authority fee pressures within particular care homes. Rising administrative and finance costs have impacted on the overall result for the year. With the support of the new parent company, the Directors are confident of improved results in the future.

The directors continue to be focused on expanding the portfolio of modern purpose built, high quality care homes to meet industry standards and to provide a high level of care to residents.

PRINCIPAL RISKS AND UNCERTAINTIES

Like all businesses the group faces a number of operating risks and uncertainties. There are a number of risks that could impact on the group's long-term performance and steps are taken to understand and evaluate these.

The most fundamental risks faced by the group are:-

- if the group fails to comply with regulation, regulatory action could include, among other penalties, the revocation of a care homes licence to operate.
- the group could suffer serious negative publicity if a serious incident was to occur at one of the care homes.
- if the average weekly fee increases do not at least rise in line with costs.
- if the group fails to attract and retain nursing and other qualified staff, it may be unable to provide residents with the quality nursing care and may have to reduce the number of beds in its care homes.

FINANCIAL RISK MANAGEMENT


The group's main financial risks are related to its borrowings. The group's principal financial instruments comprise loans and cash as well as various items that arise directly from its operations, including trade debtors and trade creditors.

The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the group.

The credit risk attributable to trade debtors is minimal as the majority of fees are paid by local authorities and the incidence of bad debt on private fee payers is minimal.

On behalf of the board

M C Glowasky
Director



5/2/2016

Crossco (1334) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Crossco (1334) Limited for the year ended 31 March 2015.

PRINCIPAL ACTIVITIES

The group's principal activities during the year were the establishment and running of care homes.

RESULTS AND DIVIDENDS

The group's trading results for the period and the group's financial position at the end of the period are shown in the attached financial statements. The group's loss before taxation for the year was £4,384,906 (2014: £1,104,369).

EMPLOYEE INVOLVEMENT

The directors recognise the benefits which arise from keeping employees informed of the group's progress. The group is therefore committed to providing its employees with information on a regular basis, to consulting with them on a regular basis so that their views and/or concerns may be taken into account in taking decisions which may affect their interests. The group aims to foster a working environment in which all employees are treated with courtesy and respect and seeks at all times to provide opportunities to develop and reach their full potential.

DISABLED PERSONS

It is the group's policy to ensure that disabled persons are treated fairly and consistently in terms of recruitment, training, career development and promotion and that their employment opportunities should be based on a realistic assessment of their aptitudes and abilities. Wherever possible, the group will continue the employment of persons who become disabled during the course of their employment with the group through retraining, acquisition of special aids and/or equipment or the provision of suitable alternative employment.

DIRECTORS

The directors who served the company during the period were as follows:

D M Harrison
M C Glowasky

M C Glowasky was appointed a director on 3 February 2015.

S Harrison was appointed a director on 14 October 2013 and resigned on 3 February 2015.

D M Harrison resigned as director on 30 June 2015.

GOING CONCERN

After making appropriate enquiries the directors have reasonable expectation that the group is well placed to manage its business risks successfully and has adequate resources to continue in operational existence for the foreseeable future. For this reason the directors continue to adopt the going concern basis in preparing the financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO 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.

Crossco (1334) Limited

DIRECTORS' REPORT

AUDITOR

The auditor RSM UK Audit LLP (formerly Baker Tilly UK Audit LLP) is deemed to be reappointed under Section 487(2) of the Companies Act 2006.

On behalf of the board

M C Glowasky
Director



5/2/2016

Crossco (1334) 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 group and the company and of the profit or loss of the group 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. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CROSSCO (1334) LIMITED

We have audited the group and parent company financial statements ("the financial statements") on pages 6 to 22. 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 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). 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 www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 March 2015 and of the group's 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 Directors' Report for the financial period 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.



CLAIRE LEECE (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP (formerly BAKER TILLY UK AUDIT LLP), Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

5/2/2016

Crossco (1334) Limited

CONSOLIDATED PROFIT AND LOSS ACCOUNT

for the year ended 31 March 2015

		2015	2014
	Notes	£	£
TURNOVER	1	8,778,926	9,523,610
Cost of sales		(6,544,182)	(6,631,752)
Gross profit		2,234,744	2,891,858
Administrative expenses		(5,915,535)	(2,291,638)
Other operating income	2	314,457	268,558
OPERATING (LOSS)/PROFIT	3	(3,366,334)	868,778
Attributable to:			
Operating profit before exceptional items		454,839	868,778
Exceptional items	3	(3,821,173)	-
		(3,366,334)	868,778
Interest payable and similar charges	4	(1,018,572)	(1,883,147)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(4,384,906)	(1,014,369)
Taxation	6	80,837	70,400
LOSS FOR THE FINANCIAL PERIOD	17	(4,304,069)	(943,969)

The loss for the period arises from the group'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.

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account.

Crossco (1334) Limited
CONSOLIDATED BALANCE SHEET
31 March 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Tangible assets	8	13,196,076	18,137,081
Investment properties	9	1,000,000	1,000,000
		<u>14,196,076</u>	<u>19,137,081</u>
CURRENT ASSETS			
Debtors	11	2,902,535	5,404,154
Cash at bank and in hand		288,916	989,922
		<u>3,191,451</u>	<u>6,394,076</u>
CREDITORS			
Amounts falling due within one year	12	(10,517,910)	(24,382,915)
NET CURRENT LIABILITIES		<u>(7,326,459)</u>	<u>(17,988,839)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>6,869,617</u>	<u>1,148,242</u>
CREDITORS			
Amounts falling due after more than one year	13	(3,525,433)	(4,330,955)
PROVISIONS FOR LIABILITIES	14	(216,602)	(297,439)
NET ASSETS/(LIABILITIES)		<u>3,127,582</u>	<u>(3,480,152)</u>
CAPITAL AND RESERVES			
Called up share capital	16	1,367,500	1,367,400
Share premium	17	10,911,703	-
Other reserves	17	(2,863,933)	(2,863,933)
Profit and loss account	17	(6,287,688)	(1,983,619)
SHAREHOLDERS' FUNDS/(DEFICIT)	18	<u>3,127,582</u>	<u>(3,480,152)</u>

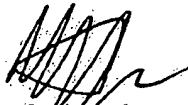
The financial statements on page 6 to 22 were approved by the directors and authorised for issue on 5/2/2016 and are signed on their behalf by:


M.C. Oldwasky
Director

Crossco (1334) Limited
COMPANY BALANCE SHEET
31 March 2015

	Notes	2015 £	2014 £
FIXED ASSETS			
Investments	10	278,242	278,242
		<u>278,242</u>	<u>278,242</u>
CURRENT ASSETS			
Debtors	11	15,901,567	21,429,573
Cash at bank and in hand		-	382,938
		<u>15,901,567</u>	<u>21,812,511</u>
CREDITORS			
Amounts falling due within one year	12	(10,768,176)	(22,892,567)
NET CURRENT ASSETS/(LIABILITIES)		<u>5,133,391</u>	<u>(1,080,056)</u>
NET ASSETS/(LIABILITIES)		<u>5,411,633</u>	<u>(801,814)</u>
CAPITAL AND RESERVES			
Called up share capital	16	1,367,500	1,367,400
Share premium	17	10,911,703	-
Profit and loss account	17	(6,867,570)	(2,169,214)
SHAREHOLDERS' FUNDS/(DEFICIT)	18	<u>5,411,633</u>	<u>(801,814)</u>

The financial statements on pages 6 to 22 were approved by the board of directors and authorised for issue on 5/2/2016 and are signed on their behalf by:


M C Glowasky
Director

Crossco (1334) Limited
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 March 2015

		2015	2014
	<i>Notes</i>	£	£
NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES	19	(886,857)	652,321
TAXATION		-	-
INTEREST PAYABLE		(1,018,572)	-
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(111,088)	(78,965)
Receipts on sale of assets		4,863,771	-
NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE		4,752,683	(78,965)
CASH INFLOW BEFORE FINANCING		2,847,254	573,356
FINANCING			
Increase in bank loans		-	329,569
Repayment of bank loans		(14,460,063)	-
Increase in share premium		10,911,703	-
Increase in share capital		100	-
NET CASH (OUTFLOW)/INFLOW FROM FINANCING		(3,548,260)	329,569
(DECREASE)/INCREASE IN CASH IN THE PERIOD	20	(701,006)	902,925

Crossco (1334) Limited

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on page 1. The financial position of the group and company, its cash flows, borrowings and liquidity position are described in the Balance Sheets and Cash Flow Statement on pages 7 to 9.

BASIS OF CONSOLIDATION

The group financial statements consolidate the financial statements of Crossco (1334) Limited and all of its subsidiary undertakings.

The consolidated financial statements merge the financial statements of those undertakings which are owned by the shareholders of Crossco (1334) Limited as if they had always so been owned. Accordingly, in those years when mergers take place, the whole of the results assets, liabilities, shareholders' funds and cash flows of the merged companies are consolidated, regardless of the actual merger date, and corresponding figures for previous year are re-stated.

No profit and loss account for Crossco (1334) Limited has been presented as permitted by Section 408 of the Companies Act 2006.

GOING CONCERN

The financial statements have been prepared on the going concern basis. During the year the group has changed funders and the new funder has confirmed to the directors its intention to continue to support the company for the foreseeable future.

The directors have prepared forecasts, which show the group's operating cash flows to be sufficient to fund the group's existing working capital requirements, with the intended support of the funder. Consequently the directors believe that it is appropriate to continue to prepare the financial statements on a going concern basis.

TURNOVER

Turnover represents the amounts receivable for services provided in the normal course of business during the period. The turnover of the group is derived entirely from its principal activities carried out in the United Kingdom.

FIXED ASSETS

All fixed assets are initially recorded at cost.

DEPRECIATION

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 10-15% straight line
Motor vehicles	- 25% straight line

No depreciation is provided on freehold property as the company. In the opinion of the directors the residual value would be sufficiently high to make any depreciation charge in the current period immaterial, which is supported by an impairment view.

Crossco (1334) Limited

ACCOUNTING POLICIES

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 periods 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 periods 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.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, 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.

BORROWINGS

Interest-bearing loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement on redemption and direct issue costs, are accounted for on an accruals basis in the profit or loss account using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

1 TURNOVER

The total turnover of the group for the period has been derived from its principal activity wholly undertaken in the UK.

2 OTHER OPERATING INCOME

	2015	2014
	£	£
Other operating income	<u>314,457</u>	<u>268,558</u>

3 OPERATING (LOSS)/PROFIT

Operating (loss)/profit is stated after charging:

	2015	2014
	£	£
Directors' remuneration	-	-
Depreciation of owned fixed assets	197,007	219,767
(Profit)/loss on disposal of fixed assets	(8,685)	39,536
Auditors' remuneration	17,655	17,655
Exceptional items:		
Write off of amounts due from former parent undertaking	2,860,069	-
Reorganisation costs	<u>961,104</u>	<u>-</u>

Reorganisation costs include legal and professional fees arising from the group debt restructuring.

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2015	2014
	£	£
On bank loans , overdrafts and other borrowings	<u>1,018,572</u>	<u>1,883,147</u>

5 PARTICULARS OF EMPLOYEES

The average number of full time and part time persons employed by the group (excluding directors) during the period, analysed by category, was as follows:

	2015	2014
	No	No
Managerial	6	13
Operational staff	<u>455</u>	<u>417</u>
	<u>461</u>	<u>430</u>

The aggregate payroll costs of the above were:

	2015	2014
	£	£
Wages and salaries	5,253,879	5,374,702
Social security costs	<u>317,520</u>	<u>301,799</u>
	<u>5,571,399</u>	<u>5,676,501</u>

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

6 TAXATION

(a) Analysis of charge in the period

	2015 £	2014 £
Current tax:		
UK Corporation tax	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	(80,837)	(70,400)
Tax on loss on ordinary activities	(80,837)	(70,400)

(b) Factors affecting current tax charge

The tax assessed on the loss on ordinary activities for the period is less than the standard rate of corporation tax in the UK of 21% (2014: 23%), as explained below

	2015 £	2014 £
Group profit/(loss) on ordinary activities before taxation	(4,384,906)	(1,014,369)
Profit/(loss) on ordinary activities by rate of tax	(920,830)	(233,305)
Effects of:		
Expenses not deductible for tax purposes	5,022	-
Capital allowances in excess of depreciation	(80,882)	(45,219)
Income not deductible for tax purposes	(5,386)	-
Tax losses	902,226	317,115
Group relief surrendered/(claimed)	99,850	(38,591)
Group current tax (note 6(a))	-	-

The group has surrendered the benefit of tax losses amounting to £99,850 (2014: £(38,591) claimed) to fellow group undertakings without receiving any payment.

7 LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £4,698,356.

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

8 TANGIBLE FIXED ASSETS

Group	Freehold & leasehold land and buildings £	Fixtures, fittings and equipment £	Motor Vehicles £	Total 2015 £
Cost or valuation				
At 1 April 2014	17,829,318	1,898,492	11,500	19,739,310
Additions	-	111,088	-	111,088
Disposals	(5,057,225)	(203,556)	(9,200)	(5,269,981)
At 31 March 2015	<u>12,772,093</u>	<u>1,806,024</u>	<u>2,300</u>	<u>14,580,417</u>
Depreciation				
At 1 April 2014	485,477	1,107,264	9,488	1,602,229
Charge for the year	-	196,432	575	197,007
Disposals	(288,866)	(116,829)	(9,200)	(414,895)
At 31 March 2015	<u>196,611</u>	<u>1,186,867</u>	<u>863</u>	<u>1,384,341</u>
Net book value				
At 31 March 2015	<u>12,575,482</u>	<u>619,157</u>	<u>1,437</u>	<u>13,196,076</u>
At 31 March 2014	<u>17,343,841</u>	<u>791,228</u>	<u>2,012</u>	<u>18,137,081</u>

9 INVESTMENT PROPERTIES

	Freehold land and buildings £
Valuation	
At 1 April 2014 and 31 March 2015	<u>1,485,335</u>
Provision for diminution in value	
At 1 April 2014 and 31 March 2015	<u>485,335</u>
Net book value	
At 31 March 2015	<u>1,000,000</u>
At 31 March 2014	<u>1,000,000</u>

Investment properties consist of a care unit property in Carlisle known as Jasmin Court.

In the opinion of the directors the current market value of the investment property approximates to its carrying value in the financial statements.

The historical cost of the investment properties is £1,485,335 (2014: £1,485,335).

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

10 INVESTMENTS

Company	Shares in subsidiary undertakings £
Cost	
At 1 April 2014 and 31 March 2015	<u>1,367,400</u>
Impairment	
At 1 April 2014 and 31 March 2015	<u>(1,089,158)</u>
Net book value	
At 31 March 2015	<u>278,242</u>
At 31 March 2014	<u>278,242</u>

The company has investments in the following subsidiary undertakings:

Name of Company	Country of incorporation	Class of shares held	Proportion of shares held	Nature of business
Sovereign Guest Services Limited	England	Ordinary	100%	Care homes operator
Primrose Care Home Limited	England	Ordinary	100%	Care homes operator
Windmill Hills Care Home Limited	England	Ordinary	100%	Care homes operator
World Trade Properties Limited	England	Ordinary	100%	Care homes operator
Quarter Care Limited	England	Ordinary	100%	Care homes operator
Express Care (Guest Services) Limited	England	Ordinary	100%	Care homes operator

11 DEBTORS

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	772,575	362,823	-	-
Amounts owed by subsidiary undertakings	-	-	15,901,567	21,429,571
Amounts owed by other group undertakings	2,050,929	4,772,339	-	-
Other debtors	3,000	7,961	-	2
Prepayments and accrued income	54,980	239,980	-	-
Group relief receivable	21,051	21,051	-	-
	<u>2,902,535</u>	<u>5,404,154</u>	<u>15,901,567</u>	<u>21,429,573</u>

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

12 CREDITORS amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Bank loans	-	22,892,567	-	22,892,567
Other borrowings	8,432,504	-	8,432,504	-
Trade creditors	188,610	336,241	-	-
Amounts owed to subsidiary undertakings	-	-	1,403,581	-
Group relief payable	-	107,703	-	-
Other taxation and social security	84,316	84,507	-	-
Other creditors	1,143,102	263,675	932,091	-
Accruals and deferred income	669,378	698,222	-	-
	<u>10,517,910</u>	<u>24,382,915</u>	<u>10,768,176</u>	<u>22,892,567</u>

The other borrowings are secured on the company's assets.

The group's other borrowings are repayable in quarterly instalments until 2016 and bear interest between 4.55% and 10%.

On 25 November 2014, Monarch Master Funding 2 (Luxembourg) S.a.r.l acquired the benefit of certain loan and security documents held by the group.

13 CREDITORS amounts falling due after more than one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Amounts owed to ultimate parent	98,954	-	-	-
Amounts owed to other group undertakings	3,426,479	4,040,955	-	-
Directors' loan account	-	290,000	-	-
	<u>3,525,433</u>	<u>4,330,955</u>	<u>-</u>	<u>-</u>

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

14 DEFERRED TAXATION

The movement in deferred taxation during the period was:

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
At beginning of period	297,439	367,839	-	-
Credit for the period	(80,837)	(70,400)	-	-
At end of period	<u>216,602</u>	<u>297,439</u>	<u>-</u>	<u>-</u>

Deferred tax is analysed over the following timing differences at 20%:

Group	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Accelerated capital allowances	435,790	-	536,559	-
Tax losses available	(219,188)	-	(239,120)	-
Deferred tax liability	<u>216,602</u>	<u>-</u>	<u>297,439</u>	<u>-</u>

Company	2015		2014	
	Provided	Unprovided	Provided	Unprovided
	£	£	£	£
Accelerated capital allowances	-	-	-	-
Tax losses available	-	-	-	-
Deferred tax asset	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

15 RELATED PARTY TRANSACTIONS

Under FRS 8, 'Related Party Disclosures', the company is exempt from the requirements to provide details of transactions with other members of the group headed by Crossco (1334) Limited.

Included within amounts owed by other group undertakings is:

	2015 £	2014 £
Amounts owed to Crossco (1334) Limited		
Executive Care Group Limited	-	124,756
Amounts owed to World Trade Properties Limited		
Executive Care Group Limited	-	7,393
Amounts owed to Sovereign Guest Services Limited		
Regency Guest Services Limited	43,760	43,430
Aspenframe Limited	3,538	3,538
Northwind Leisure Limited	2,106	1,706
Executive Care Group Limited	-	269,040
Executive Care Developments Limited	400	-
ECG Guest Services Limited	2	-
Amounts owed to Primrose Care Home Limited		
System Cycle Limited	111	111
Bramble Lodge Care Home Limited	52,389	52,389
Salco Homes Limited	382	382
Hillcrest Care Home Limited	49,978	49,978
Regency Guest Services Limited	161,150	161,150
Eagle View Care Home Limited	11,338	11,338
Aspenframe Limited	25,296	25,296
Executive Care Group Limited	-	589,011
Butterfly Group Healthcare Limited	159	-
Amounts owed to Windmill Hills Care Home Limited		
Dolphin Property Company Limited	414,788	408,892
Salco Homes Limited	633	622
Regency Guest Services Limited	202,624	194,951
Eagle View Care Home Limited	1,650	1,575
Aspenframe Limited	32,022	32,014
Executive Care Group Limited	-	379,666
Hillcrest Care Homes Limited	1,279	-
Stirling Guest Services Limited	1,500	-
Northwind Leisure Limited	1,500	-
ECG Domicillary Care Limited	1,500	-
Butterfly Group Healthcare Limited	2,602	-
Amounts owed to Quarter Care Limited		
Executive Health Care Limited	140,000	140,000
Regency Guest Services Limited	14,172	13,632
Eagle View Care Home Limited	-	1,137
Aspenframe Limited	4,256	4,256
Executive Care Developments Limited	54,060	54,060
Northwind Leisure Limited	9,137	9,140
Butterfly Group Healthcare Limited	2,246	-

Crossco (1334) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

15 RELATED PARTY TRANSACTIONS (continued)

	2015 £	2014 £
Amounts owed to Express Care (Guest Services) Limited		
System Cycle Limited	43	43
Salco Homes Limited	6,700	922
Regency Guest Services Limited	457,480	444,704
Aspenframe Limited	84,408	84,011
Executive Care Developments Limited	116,969	116,969
Northwind Leisure Limited	9,991	9,991
Executive Care Group Limited	-	1,536,236
Express Care Limited	2,952	-
Bramble Lodge Care Home Limited	129,857	-
Executive health Care Limited	6,195	-
ECG Guest Services Limited	1,500	-
Included within amounts owed to other group undertakings is:		
	2015 £	2014 £
Amounts owed by Sovereign Guest Services Limited		
Express Care Limited	83,165	79,673
Bramble Lodge Care Home Limited	48,508	46,965
Dolphin Property Company Limited	207,450	209,091
Salco Homes Limited	33,646	33,758
Hillcrest Care Home Limited	31,652	34,811
Executive Health Care Limited	20,568	20,439
Eagle View Care Home Limited	10,901	11,024
Amounts owed by Primrose Care Home Limited		
Express Care Limited	15,379	13,918
Dolphin Property Company Limited	309,843	389,401
Executive Health Care Limited	7,239	7,239
Executive Care Developments Limited	145,000	145,000
TRN (Train) Limited	-	71,970
Amounts owed by Windmill Hills Care Home Limited		
Express Care Limited	61,536	58,510
System Cycle Limited	1,594	1,594
Bramble Lodge Care Home Limited	49,591	30,375
Hillcrest Care Home Limited	-	1,560
Executive Health Care Limited	58,878	43,721
Executive Care Developments Limited	248,500	250,000
TRN (Train) Limited	-	11,415
Amounts owed by World Trade Properties Limited		
System Cycle Limited	539	539
Bramble Lodge Care Home Limited	823	423
Dolphin Property Company Limited	29,655	29,655
Executive Care Developments Limited	2,300	2,300
Northwind Leisure Limited	2,346	2,346

Crossco (1334) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

15 RELATED PARTY TRANSACTIONS (continued)

	2015 £	2014 £
Amounts owed by Quarter Care Limited		
Express Care Limited	31,553	28,575
Bramble Lodge Care Home Limited	123,928	113,928
Dolphin Property Company Limited	79,712	79,623
Salco Homes Limited	297	70
Hillcrest Care Home Limited	2,729	2,729
Executive Care Group Limited	-	225,973
Eagle View Care Home Limited	18,863	-
Amounts owed by Express Care (Guest Services) Limited		
Express Care Limited	-	8,432
Bramble Lodge Care Home Limited	-	65,073
Dolphin Property Company Limited	1,679,528	1,882,431
Hillcrest Care Home Limited	116,980	124,277
Executive Health Care Limited	-	1,506
Eagle View Care Home Limited	3,770	12,550
TRN (Train) Limited	-	61

16 SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid:		
Ordinary A shares of £1 each	1,367,400	1,367,400
Ordinary B shares of £1 each	100	-
	<u>1,367,500</u>	<u>1,367,400</u>

On 25 November 2014 the Ordinary shares of £1 each in the company were converted into A Ordinary shares of £1 each. On the same day the company allotted and issued 100 Ordinary B shares of £1 each for a consideration of £10,911,803.

17 RESERVES

Group	Share premium £	Merger reserve £	Profit and loss account £	Total 2015 £
Balance brought forward	-	(2,863,933)	(1,983,619)	(4,847,552)
Issued shares	10,911,703	-	-	10,911,703
Loss for the period	-	-	(4,304,069)	(4,304,069)
Balance carried forward	<u>10,911,703</u>	<u>(2,863,933)</u>	<u>(6,287,688)</u>	<u>1,760,082</u>
Company				
	Share premium £		Profit and loss account £	Total 2015 £
Balance brought forward	-		(2,169,214)	(2,169,214)
Issued shares	10,911,703		-	10,911,703
Loss for the period	-		(4,698,356)	(4,698,356)
Balance carried forward	<u>10,911,703</u>		<u>(6,867,570)</u>	<u>4,044,133</u>

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements.

Crossco (1334) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2015

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2015	2014
	£	£
Loss for the financial period	(4,304,069)	(943,969)
Issued share capital	100	-
Share premium	10,911,703	-
Opening shareholders' deficit	(3,480,152)	(2,536,183)
Closing shareholders' fund/(deficit)	<u>3,127,582</u>	<u>(3,480,152)</u>
Company	2015	2014
	£	£
Loss for the financial period	(4,698,356)	(2,169,214)
Issued share capital	100	1,367,400
Share premium	10,911,703	-
Opening shareholders' deficit	(801,814)	-
Closing shareholders' fund/(deficit)	<u>5,411,633</u>	<u>(801,814)</u>

19 RECONCILIATION OF OPERATING LOSS TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2015	2014
	£	£
Operating (loss)/profit	(3,366,334)	868,778
Depreciation	197,007	219,767
(Profit)/loss on disposal of fixed assets	(8,685)	39,536
Decrease in debtors	2,501,619	1,628,387
Increase in creditors	(210,464)	(2,104,147)
Net cash (outflow)/inflow from operating activities	<u>(886,857)</u>	<u>652,321</u>

20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2015	2014
	£	£
(Decrease)/increase in cash in the period	(701,006)	902,925
Cash outflow/(inflow) in respect of repayment of debts	14,460,063	(329,569)
Change in net funds resulting from cash flows	13,759,057	573,356
Non cash movements	-	(1,883,147)
Net funds at the beginning of the period	(21,902,645)	(20,592,854)
Net funds at the end of the period	<u>(8,143,588)</u>	<u>(21,902,645)</u>

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2015

21 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2014	Non cash movements	Cash flow	At 31 March 2015
	£	£	£	£
Cash in hand and at bank	989,922	-	(701,006)	288,916
	<u>989,922</u>	<u>-</u>	<u>(701,006)</u>	<u>288,916</u>
Debt due within one year	(22,892,567)	-	14,460,063	(8,432,504)
	<u>(22,892,567)</u>	<u>-</u>	<u>14,460,063</u>	<u>(8,432,504)</u>
Total	<u>(21,902,645)</u>	<u>-</u>	<u>13,759,057</u>	<u>(8,143,588)</u>

22 ULTIMATE PARENT COMPANY

The company's ultimate parent undertaking was Executive Care Group Limited. Executive Care Group Limited went into administration on 26 November 2014. On the same date the share capital of the company was acquired by Butterfly Group Healthcare Limited (formerly Conduit Street Holdings 1 Limited). At the date of signing the accounts, the directors consider that the company is controlled by Monarch Master Funding 1 (Luxembourg) Sarl, a company registered in Luxembourg. In the opinion of the directors there is no other ultimate controlling party.