

Crossco (1334) Limited
CONSOLIDATED FINANCIAL STATEMENTS
for the period ended
31 March 2014

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COMPANIES HOUSE

Company Registration No. 08622282

Crossco (1334) Limited

STRATEGIC REPORT

for the period ended 31 March 2014

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

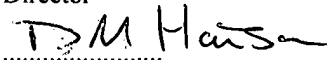
The group's main financial risks are related to its borrowings. The group's principal financial instruments comprise loans and cash as well as various items that arise directly from its operations, including trade debtors and trade creditors.

The directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the company. Exposure to increased interest costs is managed through interest rate hedging instruments.

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

D M Harrison
Director



30.3.15

Crossco (1334) Limited

DIRECTORS' REPORT

The directors submit their report and financial statements of Crossco (1334) Limited for the period ended 31 March 2014.

INCORPORATION

The company was incorporated on 24 July 2013.

On 15 October 2013 the company acquired the entire issued share capital of Express Care (Guest Services) Limited, Primrose Care Home Limited, Quarter Care Limited, Sovereign Guest Services Limited, Windmill Hills Care Home Limited and World Trade Properties Limited in a share for share exchange with Executive Care Group Limited. As a result of the group reorganisation there has been no change in the relative control of the ultimate shareholders of the group.

In accordance with Financial Reporting Standard 6 *Acquisitions and Mergers* ("FRS 6"), the consolidated financial statements of the group adopt merger accounting principles. The financial statements have been prepared for the period from the date of incorporation to 31 March 2014 however the Group Profit and Loss Account and Group Cash Flow Statement incorporate the results of the subsidiary entities for the 12 month period from 1 April 2013 to 31 March 2014. A short period of account has therefore only been reflected in respect of the parent company alone.

PRINCIPAL ACTIVITIES

The group's principal activities during the period 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 period was £1,014,369.

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
S T Nicolson

D M Harrison was appointed a director on 4 September 2013.

S T Nicolson was appointed a director on 24 July 2013 and resigned as director on 4 September 2013.

MC Glowasky was appointed a director on 3 February 2015.

Crossco (1334) Limited

DIRECTORS' REPORT

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.

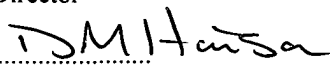
AUDITOR

Baker Tilly UK Audit LLP was appointed as auditor on 16 February 2015.

Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

On behalf of the board

D M Harrison
Director


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30.3.15

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 20. 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 2014 and of the group's loss for the period 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.

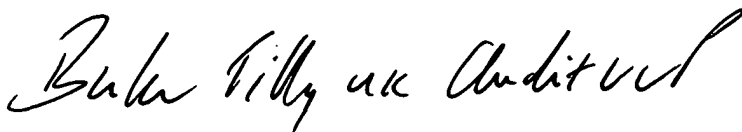
Opinion on other matter prescribed by the Companies Act 2006

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 BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

31.3.15

Crossco (1334) Limited
CONSOLIDATED PROFIT AND LOSS ACCOUNT
for the period ended 31 March 2014

	<i>Notes</i>	2014 £	2013 £
TURNOVER	1	9,523,610	9,386,180
Cost of sales		(6,631,752)	(5,943,461)
Gross profit		2,891,858	3,442,720
Administrative expenses		(2,291,638)	(2,114,957)
Other operating income	2	268,558	256,642
OPERATING PROFIT	3	868,778	1,584,405
Interest payable and similar charges	4	(1,883,147)	(970,789)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(1,014,369)	613,616
Taxation	6	70,400	(151,121)
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	16	<u>(943,969)</u>	<u>462,495</u>

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 2014

	Notes	2014 £	2013 £
FIXED ASSETS			
Tangible assets	8	18,137,081	18,317,419
Investment properties	9	1,000,000	1,000,000
		<u>19,137,081</u>	<u>19,317,419</u>
CURRENT ASSETS			
Debtors	11	5,404,154	7,032,541
Cash at bank and in hand		989,922	86,997
		<u>6,394,076</u>	<u>7,119,538</u>
CREDITORS			
Amounts falling due within one year	12	(24,382,915)	(21,960,312)
NET CURRENT LIABILITIES		<u>(17,988,839)</u>	<u>(14,840,774)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,148,242</u>	<u>4,476,645</u>
CREDITORS			
Amounts falling due after more than one year	13	(4,330,955)	(6,644,989)
PROVISIONS FOR LIABILITIES	14	(297,439)	(367,839)
NET LIABILITIES		<u>(3,480,152)</u>	<u>(2,536,183)</u>
CAPITAL AND RESERVES			
Called up share capital	16	1,367,400	1,367,400
Other reserves	17	(2,863,933)	(2,863,933)
Profit and loss account	17	(1,983,619)	(1,039,650)
SHAREHOLDERS' DEFICIT	18	<u>(3,480,152)</u>	<u>(2,536,183)</u>

The financial statements on page 6 to 20 were approved by the directors and authorised for issue on 30.3.15 and are signed on their behalf by:

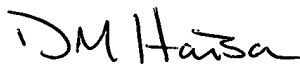


D M Harrison
 Director

Crossco (1334) Limited
COMPANY BALANCE SHEET
31 March 2014

	Notes	2014 £
FIXED ASSETS		
Investments	10	278,242
		<u>278,242</u>
CURRENT ASSETS		
Debtors	11	21,429,573
Cash at bank and in hand		382,938
		<u>21,812,511</u>
CREDITORS		
Amounts falling due within one year	12	(22,892,567)
NET CURRENT LIABILITIES		<u>(1,080,056)</u>
NET LIABILITIES		<u>(801,814)</u>
CAPITAL AND RESERVES		
Called up share capital	16	1,367,400
Profit and loss account	17	(2,169,214)
SHAREHOLDERS' DEFICIT	18	<u>(801,814)</u>

The financial statements on pages 6 to 20 were approved by the board of directors and authorised for issue on 30.3.15 and are signed on their behalf by:


D M Harrison
Director

Crossco (1334) Limited
CONSOLIDATED CASH FLOW STATEMENT
for the period ended 31 March 2014

		2014	2013
	<i>Notes</i>	£	£
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES	19	652,321	(74,288)
TAXATION		-	(25,597)
CAPITAL EXPENDITURE			
Payments to acquire tangible fixed assets		(78,965)	-
NET CASH OUTFLOW FROM CAPITAL EXPENDITURE		(78,965)	-
CASH INFLOW/(OUTFLOW) BEFORE FINANCING		573,356	(99,885)
FINANCING			
Increase in bank loans		329,569	-
NET CASH INFLOW FROM FINANCING		329,569	-
INCREASE/(DECREASE) IN CASH IN THE PERIOD	20	902,925	(99,885)

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. Post year end 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.

BANK BORROWINGS

Interest-bearing bank 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 period ended 31 March 2014

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

	2014	2013
	£	£
Other operating income	<u>268,558</u>	<u>256,642</u>

3 OPERATING LOSS

Operating loss is stated after charging:

	2014	2013
	£	£
Directors' remuneration	-	-
Depreciation of owned fixed assets	219,767	159,889
Loss on disposal of fixed assets	39,536	-
Auditors' remuneration	<u>17,655</u>	<u>17,655</u>

4 INTEREST PAYABLE AND SIMILAR CHARGES

	2014	2013
	£	£
On bank loans and overdrafts	<u>1,883,147</u>	<u>970,789</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:

	2014	2013
	No	No
Managerial	13	12
Operational staff	<u>417</u>	<u>421</u>
	<u>430</u>	<u>433</u>

The aggregate payroll costs of the above were:

	2014	2013
	£	£
Wages and salaries	5,374,702	4,911,984
Social security costs	<u>301,799</u>	<u>290,839</u>
	<u>5,676,501</u>	<u>5,202,832</u>

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2014

6 TAXATION

(a) Analysis of (credit)/charge in the period

	2014 £	2013 £
Current tax:		
UK Corporation tax	-	25,597
Total current tax	-	25,597
Deferred tax:		
Origination and reversal of timing differences	(70,400)	125,524
Tax on loss on ordinary activities	(70,400)	151,121

(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 23% (2013: 24.59%), as explained below

	2014 £	2013 £
Group (loss)/profit on ordinary activities before taxation	(1,014,369)	613,616
(Loss)/profit on ordinary activities by rate of tax	(233,305)	150,888
Effects of:		
Expenses not deductible for tax purposes	-	23,159
Capital allowances in excess of depreciation	(45,219)	(115,987)
Tax losses	317,115	(32,463)
Group relief claimed	(38,591)	-
Group current tax (note 6(a))	-	25,597

7 LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £2,169,214.

Crossco (1334) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2014

8 TANGIBLE FIXED ASSETS

Group	Freehold & leasehold land and buildings £	Fixtures, fittings and equipment £	Motor vehicles £	Total 2014 £
Cost or valuation				
At 1 April 2013	17,811,212	1,954,916	25,063	19,791,191
Additions	18,106	58,559	2,300	78,965
Disposals	-	(114,983)	(15,863)	(130,846)
At 31 March 2014	<u>17,829,318</u>	<u>1,898,492</u>	<u>11,500</u>	<u>19,739,310</u>
Depreciation				
At 1 April 2013	485,477	963,232	25,063	1,473,772
Charge for the year	-	219,479	288	219,767
Disposals	-	(75,447)	(15,863)	(91,310)
At 31 March 2014	<u>485,477</u>	<u>1,107,264</u>	<u>9,488</u>	<u>1,602,229</u>
Net book value				
At 31 March 2014	<u>17,343,841</u>	<u>791,228</u>	<u>2,012</u>	<u>18,137,081</u>
At 31 March 2013	<u>17,325,735</u>	<u>991,684</u>	<u>-</u>	<u>18,317,419</u>

9 INVESTMENT PROPERTIES

	Freehold land and buildings £
Valuation	
At beginning and end of year	<u>1,485,335</u>
Provision for diminution in value	
At beginning and end of year	<u>485,335</u>
Net book value	
At 31 March 2014	<u>1,000,000</u>
At 31 March 2013	<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 (2013: £1,485,338).

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2014

10 INVESTMENTS

Company	Shares in subsidiary undertakings £
Cost	
Additions	1,367,400
At 31 March 2014	<u>1,367,400</u>
Impairment	
Charge for period	(1,089,158)
At 31 March 2014	<u>(1,089,158)</u>
Net book value	
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 2014 £	2013 £	Company 2014 £
Trade debtors	362,823	402,004	-
Amounts owed by subsidiary undertakings	-	-	21,429,571
Amounts owed by other group undertakings	4,772,339	5,742,746	-
Other debtors	7,961	642,613	2
Prepayments and accrued income	239,980	224,127	-
Group relief receivable	21,051	21,051	-
	<u>5,404,154</u>	<u>7,032,541</u>	<u>21,429,573</u>

Crossco (1334) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2014

12 CREDITORS amounts falling due within one year

	Group 2014 £	2013 £	Company 2014 £
Bank loans	22,892,567	20,679,851	22,892,567
Trade creditors	336,241	171,685	-
Group relief payable	107,703	107,703	-
Other taxation and social security	84,507	273,905	-
Other creditors	263,675	202,339	-
Accruals and deferred income	698,222	524,829	-
	<u>24,382,915</u>	<u>21,960,312</u>	<u>22,892,567</u>

The bank loans are secured on the company's assets.

13 CREDITORS amounts falling due after more than one year

	Group 2014 £	2013 £	Company 2014 £
Amounts owed to other group undertakings	4,040,955	6,644,989	-
Directors' loan account	290,000	-	-
	<u>4,330,955</u>	<u>6,644,989</u>	<u>-</u>

14 DEFERRED TAXATION

The movement in deferred taxation during the period was:

	Group 2014 £	2013 £	Company 2014 £
At beginning of period	367,839	242,315	-
(Credit)/charge for the period	(70,400)	125,524	-
At end of period	<u>297,439</u>	<u>367,839</u>	<u>-</u>

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

Group	2014		2013	
	Provided £	Unprovided £	Provided £	Unprovided £
Accelerated capital allowances	536,559	-	621,887	-
Tax losses available	(239,120)	-	(254,048)	-
Deferred tax liability	<u>297,439</u>	<u>-</u>	<u>367,839</u>	<u>-</u>

	2014		2013	
	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 period ended 31 March 2014

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:

	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	43,430
Aspenframe Limited	3,538
Northwind Leisure Limited	1,706
Executive Care Group Limited	269,040
Amounts owed to Primrose Care Home Limited	
System Cycle Limited	111
Bramble Lodge Care Home Limited	52,389
Salco Homes Limited	382
Hillcrest Care Home Limited	49,978
Regency Guest Services Limited	161,150
Eagle View Care Home Limited	11,338
Aspenframe Limited	25,296
Executive Care Group Limited	589,011
Amounts owed to Windmill Hills Care Home Limited	
Dolphin Property Company Limited	408,892
Salco Homes Limited	622
Regency Guest Services Limited	194,951
Eagle View Care Home Limited	1,575
Aspenframe Limited	32,014
Executive Care Group Limited	379,666
Amounts owed to Quarter Care Limited	
Executive Health Care Limited	140,000
Regency Guest Services Limited	13,632
Eagle View Care Home Limited	1,137
Aspenframe Limited	4,256
Executive Care Developments Limited	54,060
Northwind Leisure Limited	9,140
Amounts owed to Express Care (Guest Services) Limited	
System Cycle Limited	43
Salco Homes Limited	922
Regency Guest Services Limited	444,704
Aspenframe Limited	84,011
Executive Care Developments Limited	116,969
Northwind Leisure Limited	9,991
Executive Care Group Limited	1,536,236

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2014

15 RELATED PARTY TRANSACTIONS *(continued)*

Included within amounts owed to other group undertakings is:

	2014 £
Amounts owed by Sovereign Guest Services Limited	
Express Care Limited	79,673
Bramble Lodge Care Home Limited	46,965
Dolphin Property Company Limited	209,091
Salco Homes Limited	33,758
Hillcrest Care Home Limited	34,811
Executive Health Care Limited	20,439
Eagle View Care Home Limited	11,024
Amounts owed by Primrose Care Home Limited	
Express Care Limited	13,918
Dolphin Property Company Limited	389,401
Executive Health Care Limited	7,239
Executive Care Developments Limited	145,000
TRN (Train) Limited	71,970
Amounts owed by Windmill Hills Care Home Limited	
Express Care Limited	58,510
System Cycle Limited	1,594
Bramble Lodge Care Home Limited	30,375
Hillcrest Care Home Limited	1,560
Executive Health Care Limited	43,721
Executive Care Developments Limited	250,000
TRN (Train) Limited	11,415
Amounts owed by World Trade Properties Limited	
System Cycle Limited	539
Bramble Lodge Care Home Limited	423
Dolphin Property Company Limited	29,655
Executive Care Developments Limited	2,300
Northwind Leisure Limited	2,346
Amounts owed by Quarter Care Limited	
Express Care Limited	28,575
Bramble Lodge Care Home Limited	113,928
Dolphin Property Company Limited	79,623
Salco Homes Limited	70
Hillcrest Care Home Limited	2,729
Executive Care Group Limited	225,973
Amounts owed by Express Care (Guest Services) Limited	
Express Care Limited	8,432
Bramble Lodge Care Home Limited	65,073
Dolphin Property Company Limited	1,882,431
Hillcrest Care Home Limited	124,277
Executive Health Care Limited	1,506
Eagle View Care Home Limited	12,550
TRN (Train) Limited	61

Crossco (1334) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 31 March 2014

16 SHARE CAPITAL

	2014 £	2013 £
Allotted, called up and fully paid: Ordinary shares of £1 each	<u>1,367,400</u>	<u>1,367,400</u>

On 15 October 2013 the company issued 1,367,400 ordinary shares of £1 each in consideration for the entire share capital in the subsidiaries acquired in note 10.

17 RESERVES

Group	Merger reserve £	Profit and loss account £	Total 2014 £
Balance brought forward	(2,863,933)	(1,039,650)	(3,903,583)
Loss for the period	-	(943,969)	(943,969)
Balance carried forward	<u>(2,863,933)</u>	<u>(1,983,619)</u>	<u>(4,847,552)</u>
Company		Profit and loss account £	Total 2014 £
Balance brought forward		-	-
Loss for the period		(2,169,214)	(2,169,214)
Balance carried forward		<u>(2,169,214)</u>	<u>(2,169,214)</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.

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

Group	2014 £	2013 £
(Loss)/profit for the financial period	(943,969)	462,495
Opening shareholders' deficit	<u>(2,536,183)</u>	<u>(2,998,678)</u>
Closing shareholders' deficit	<u>(3,480,152)</u>	<u>(2,536,183)</u>
Company	2014 £	
Loss for the financial period	(2,169,214)	
Issued share capital	1,367,400	
Opening shareholders' deficit	-	
Closing shareholders' deficit	<u>(801,814)</u>	

Crossco (1334) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the period ended 31 March 2014

19 RECONCILIATION OF OPERATING LOSS TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2014	2013
	£	£
Operating profit	868,778	1,584,405
Depreciation	219,767	159,889
Loss on disposal of fixed assets	39,536	-
Decrease in debtors	1,628,387	(1,744,294)
Increase in creditors	(2,104,147)	(74,228)
Net cash inflow from operating activities	<u>652,321</u>	<u>(74,228)</u>

20 RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2014	2013
	£	£
Increase in cash in the period	902,925	(99,885)
Cash inflow in respect of repayment of debts	(329,569)	-
Change in net funds resulting from cash flows	<u>573,356</u>	<u>(99,885)</u>
Non cash movements	<u>(1,883,147)</u>	<u>(970,789)</u>
Net funds at the beginning of the period	<u>(20,592,854)</u>	<u>(19,522,180)</u>
Net funds at the end of the period	<u>(21,902,645)</u>	<u>(20,592,854)</u>

21 ANALYSIS OF CHANGES IN NET FUNDS

	At 1 April 2013	Non cash movements	Cash flow	At 31 March 2014
	£	£	£	£
Cash in hand and at bank	86,997	-	902,925	989,922
Bank overdrafts	-	-	-	-
	<u>86,997</u>	<u>-</u>	<u>902,925</u>	<u>989,922</u>
Debt due within one year	(20,679,851)	(1,883,147)	(329,569)	(22,892,567)
Debt due after one year	-	-	-	-
	<u>(20,679,851)</u>	<u>(1,883,147)</u>	<u>(329,569)</u>	<u>(22,892,567)</u>
Total	<u>(20,592,854)</u>	<u>(1,883,147)</u>	<u>573,356</u>	<u>(21,902,645)</u>

22 ULTIMATE PARENT COMPANY

At 31 March 2014 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). The ultimate parent undertaking of Butterfly Group Healthcare Limited is Monarch Master Funding Limited, a company registered in the Cayman Islands.