

# Craegmoor Older People Care Limited

(Formerly London Parkcare Limited)

## Annual report and financial statements for the year ended 31 December 2010

Registered number 1825148

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# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Annual report and financial statements for the year ended 31 December 2010**

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# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Directors and advisors**

### **Executive Directors**

David Manson  
Avril Evans  
Philip Scott  
Jason Lock  
Matthew Franzidis

### **Company secretary**

David Hall  
Craegmoor House  
Perdiswell Park  
Worcester  
WR3 7NW

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cornwall Court  
19 Cornwall Street  
Birmingham  
B3 2DT

### **Solicitors**

Pinsent Masons  
3 Colmore Circus  
Birmingham  
B4 6BH

DLA Piper (UK) Solicitors LLP  
3 Noble Street  
London  
EC2V 7EE

### **Registered Office**

Craegmoor House  
Perdiswell Park  
Worcester  
WR3 7NW

### **Bankers**

Barclays Bank  
1 Churchill Place  
London  
E14 5HP

Allied Irish Banks Plc  
St Helen's  
1 Undershaft  
London  
EC3A 8AB

# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Directors' report for the year ended 31 December 2010**

The Directors present their annual report and the audited financial statements for the year ended 31 December 2010

### **Principal activities**

The principal activity of the Company continues to be care delivery

### **Review of business and future developments**

On 8 February 2010 the Company changed its name from London Parkcare Limited to Craegmoor Older People Care Limited

Both the level of continuing business and the year end position were satisfactory, and the Directors expect that the present level of activity will be sustained for the foreseeable future. The Directors of Craegmoor Group Limited, which is now owned by Priory Investments Holdings Limited, a company registered in the Cayman Islands, manage the Group's operations on a group-wide basis. For this reason, the Directors of the Company believe a separate business review and future developments summary for the Company is not relevant for an understanding of the business and future strategy. The business review and future developments of the Craegmoor Group Limited group, which includes the Company, are discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2010 which does not form part of this report.

### **Post balance sheet event**

On 14 April 2011, the entire share capital of Craegmoor Group Limited, the Company's ultimate parent company, was acquired by Crown Newco 1 Limited. Subsequently the shares were transferred to Priory Investments Holdings Limited, a subsidiary undertaking of Crown Newco 1 Limited.

### **Results and dividends**

The profit and loss account shows a profit after tax for the year of £330,000 (2009 £660,000). The Directors do not recommend the payment of a dividend for the year ended 31 December 2010 (2009 £Nil).

### **Principal risks and uncertainties**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of Craegmoor Group Limited, a subsidiary of Priory Investments Holdings Limited, and are not managed separately. Accordingly, the principal risks and uncertainties of the Craegmoor Group Limited group ("the Group"), which include those of the Company, are discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2010.

### **Key Performance Indicators ("KPIs")**

The directors of Craegmoor Group Limited, a subsidiary of Priory Investments Holdings Limited, manage the Group's operations on a group-wide basis. For this reason, the Directors of the Company believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the Craegmoor Group Limited group, which includes the Company, are discussed in the Directors' report of Craegmoor Group Limited for the year ended 31 December 2010.

# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Directors' report for the year ended 31 December 2010 (continued)**

### **Directors**

The following Directors have held office for the whole year and up to the date of signing the financial statements unless otherwise stated

Ted Smith	(Resigned 14 April 2011)
David Manson	
Avril Evans	
Christine Cameron	(Resigned 14 April 2011)
Julian Ball	(Resigned 14 April 2011)
Philip Scott	(Appointed 14 April 2011)
Jason Lock	(Appointed 14 April 2011)
Matthew Franzidis	(Appointed 14 April 2011)

### **Changes in tangible assets and investments**

Movements in tangible assets and investments during the year are set out in note 7 and 8 to the financial statements. The Directors believe that there is no significant difference between the market value and the balance sheet value of land.

### **Financial instruments**

The Company's financial instruments primarily comprise debtors and creditors with other group companies arising directly from its operations. No trading in financial instruments has been undertaken.

There are no significant risks arising directly from the Company's financial instruments. However, the Company is reliant on the ongoing support of the Craegmoor Group, which has long term financing and overdraft facilities in place. The board of Craegmoor Group Limited, the ultimate UK parent undertaking as at 31 December 2010, had reviewed and agreed the policies for managing the risks related to these facilities as set out below.

#### *Liquidity risk*

The Group had secured long term financing and revolving credit facilities with financial institutions, which had high credit ratings that were designed to ensure the Group has sufficient available funds for operations. The majority of the £244,742,000 (2009 £215,938,000) debt held by the Group, in the form of loan notes and bank loans (but excluding preference shares and finance leases), was repayable in 2016 to 2018.

#### *Interest rate and cash flow risk*

The Group had entered into interest rate swaps to ensure certainty over future interest cash flows. As a consequence, 91% (2009 100%) of the Group's borrowings were at fixed rates of interest.

#### *Credit risk*

A fellow subsidiary company, Craegmoor Facilities Company Limited, bears the credit risk for the Company.

Following the acquisition of the ultimate parent undertaking, Craegmoor Group Limited, by Crown Newco 1 Limited on 14 April 2011, revised arrangements are in the process of being put in place that manage the above risks.

# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Directors' report for the year ended 31 December 2010 (continued)**

### **Statement of Directors' responsibilities**

The directors are responsible for preparing 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 prepared 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 judgements 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.

### **Statement of disclosure of information to auditors**

In the case of each of the persons who are directors at the time when the report is approved the following applies

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

### **Independent auditors**

The Company has elected, in accordance with section 487 of the Companies Act 2006, to dispense with the obligation to appoint auditors annually.

By order of the Board



David Manson  
Director

28 April 2011

## **Independent auditors' report to the members of Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

We have audited the financial statements of Craegmoor Older People Care Limited for the year ended 31 December 2010 which comprise the Profit and loss account, the Note of historical cost profit and losses, the Balance sheet and the related notes. 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).

### **Respective responsibilities of Directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 3 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 to 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.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

### **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.

### **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 December 2010 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **Independent auditors' report to the members of Craegmoor Older People Care Limited (formerly London Parkcare Limited) (continued)**

### **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



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Mark L Smith (Senior Statutory Auditor)  
For and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
28 April 2011



## Craegmoor Older People Care Limited (formerly London Parkcare Limited)

### Profit and loss account for the year ended 31 December 2010

		2010 Before Exceptional items	2010 Exceptional items (Note 5)	2010 Total	2009 Before Exceptional items	2009 Exceptional items (Note 5)	2009 Total
	Note	£'000	£'000	£'000	£'000	£'000	£'000
Turnover		1,469	-	1,469	1,623	-	1,623
Administrative expenses		(1,168)	(716)	(1,884)	(1,106)	135	(971)
Operating profit	4	301	(716)	(415)	517	135	652
Profit/(loss) on ordinary activities before taxation		301	(716)	(415)	517	135	652
Tax on profit/(loss) on ordinary activities	6	29	-	29	8	-	8
Profit/(loss) for the financial year	13	330	(716)	(386)	525	135	660

All activities relate to continuing operations

The Company has no recognised gains or losses other than those shown above and therefore no separate statement of recognised gains and losses has been prepared

## **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

### **Note of historical cost profits and losses for the year ended 31 December 2010**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
(Loss)/profit on ordinary activities before taxation	<b>(386)</b>	652
Difference between historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	<b>23</b>	26
<b>Historical cost (loss)/profit on ordinary activities before taxation</b>	<b>(363)</b>	678
<b>Historical cost (loss)/profit for the financial year</b>	<b>(334)</b>	686

# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Balance sheet as at 31 December 2010**

	Note	2010 £'000	2009 £'000
<b>Fixed assets</b>			
Tangible assets	7	6,316	6,338
Investments	8	40	756
		<b>6,356</b>	<b>7,094</b>
<b>Current assets</b>			
Debtors (including amounts falling due after more than one year of £135,000 (2009 £135,000))	9	3,204	2,881
<b>Net current assets</b>		<b>3,204</b>	<b>2,881</b>
<b>Total assets less current liabilities</b>		<b>9,560</b>	<b>9,975</b>
<b>Creditors</b> amounts falling due after more than one year	10	(756)	(756)
<b>Provisions for liabilities and charges</b>	11	(405)	(434)
<b>Net assets</b>		<b>8,399</b>	<b>8,785</b>
<b>Capital and reserves</b>			
Called up share capital	12	-	-
Revaluation reserve	13	6,824	6,824
Profit and loss reserve	13	1,575	1,961
<b>Total shareholders' funds</b>	14	<b>8,399</b>	<b>8,785</b>

The financial statements on pages 7 to 18 were approved by the Board of Directors on 28 April 2011 and signed on its behalf by



David Manson  
Director  
Company registered number 1825148

# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Notes to the financial statements for the year ended 31 December 2010**

### **1 Principal accounting policies**

The financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of certain tangible fixed assets, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. A summary of the principal accounting policies, which have been consistently applied, is set out below.

#### **Turnover**

Turnover represents amounts invoiced and accrued for care services provided during the year in the UK, net of credit notes and excluding Value Added Tax. Where services are invoiced in advance the related income is deferred to match the period in which the service is provided. The Directors consider that the Company's turnover all derives from one class of business.

#### **Investments**

The carrying value of investments is based on cost less provisions for impairment where necessary in accordance with FRS 11. Any provisions for impairment in the carrying value of fixed assets to below cost are charged to the profit and loss account.

#### **Tangible fixed assets**

The cost of tangible assets is their purchase cost, and any costs directly attributable to bringing them into working condition for their intended use. Freehold land and buildings are revalued by independent, professionally qualified valuers every five years. These valuations are carried out on an existing use, open market value basis, and in the intervening years are updated by the Directors with the assistance of independent professional advice as required.

Increases in the revalued amounts of land and buildings are credited to revaluation reserves.

Freehold land is not depreciated. Subsequent to a revaluation, depreciation is based on revalued amounts. Depreciation on tangible fixed assets, other than land, is calculated to write off their cost, less estimated residual values, by equal annual instalments on the following bases:

Freehold buildings	- over 50 years
Building improvements	- over 10 years
Equipment	- over 7 years
Furniture and fittings	- over 3, 5 or 10 years
Computer equipment	- over 3 or 5 years

Provision is made for any impairment in the period in which it arises. The impairment is calculated by comparing the carrying value to the recoverable amount as required by FRS 11, 'Impairment of fixed assets and goodwill'. The recoverable amount of land and buildings is taken to be the higher of realisable value and value in use. Value in use is determined by reference to the expected future cash flows of the care home, discounted at a risk weighted cost of capital determined from time to time based on the capital structure of the group. Realisable value is determined by independent, professional valuers on an existing use, open market value basis.

Provisions for impairment in the carrying value of land and buildings are charged against revaluation reserves in the balance sheet to the extent that they relate to a reversal of prior increases. Impairments to below historical cost are charged to the profit and loss account. Reversals of previous impairments are credited to the profit and loss account to the extent that they return the asset carrying value to its depreciated historical cost, with any amount over and above that value being credited to the revaluation reserve.

#### **Corporation tax**

UK corporation tax is provided at amounts expecting to be paid (or recovered) using the tax rates and bases that have been enacted, or substantially enacted by the balance sheet date. Corporation tax payable may be reduced wholly or in part by the surrender of losses by fellow group companies. Payments made, if any, to surrendering companies for losses are reflected in the tax charge.

# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Notes to the financial statement for the year ended 31 December 2010 (continued)**

### **1 Principal accounting policies (continued)**

#### **Deferred taxation**

Deferred taxation has been recognised as a liability or asset if transactions have occurred at the balance sheet date that give rise to an obligation to pay more taxation in the future, or a right to pay less taxation in the future. An asset is only recognised to the extent that the transfer of economic benefits in the future is deemed to be more likely than not. Deferred tax assets and liabilities recognised are not discounted.

#### **Cash flow statement**

The Company is a wholly owned subsidiary of Craegmoor Group Limited, and the cash flows of the Company are included in the consolidated group cash flow statement of that company. Consequently, the Company is exempt under the terms of Financial Reporting Standard No. 1 (Revised 1996) from publishing a cash flow statement.

#### **Consolidation**

The Company has taken advantage of the exemption under section 400(1) of the Companies Act 2006, not to prepare and file consolidated accounts. The results of the Company are included within the consolidated accounts of Craegmoor Group Limited, the ultimate parent undertaking, which is incorporated in the United Kingdom at the balance sheet date. In accordance with section 400(2), the Company will deliver to the registrar, copies of these Group accounts.

### **2 Directors' emoluments**

The emoluments of the Directors were paid by Craegmoor Facilities Company Limited, a fellow subsidiary of Craegmoor Group Limited. The Directors were also directors of a number of other fellow subsidiaries during the year ended 31 December 2010 and 31 December 2009 and it is not possible to make an accurate apportionment of their emoluments in respect of each of the subsidiaries. Accordingly, the emoluments of the Directors are disclosed within the accounts of Craegmoor Facilities Company Limited.

### **3 Employee information**

The below disclosures are in respect of employees that carried out work in connection with the Company's operations during the year. However, these persons are employed by a fellow subsidiary company. The average monthly number of persons (including Executive Directors) during the year was:

	<b>2010</b>	<b>2009</b>
<b>Analysis by function</b>	<b>Number</b>	<b>Number</b>
Nursing	<b>33</b>	25
Ancillary	<b>11</b>	9
Administration	<b>7</b>	6
	<b>51</b>	40
<hr/>		
<b>Staff costs (for the above persons)</b>	<b>£'000</b>	<b>£'000</b>
Management charge in lieu of staff costs	<b>750</b>	685

# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Notes to the financial statement for the year ended 31 December 2010 (continued)**

### **4 Operating profit**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating profit is stated after charging:</b>		
Depreciation of tangible fixed assets	<b>52</b>	<b>52</b>
Management charge from fellow subsidiaries	<b>1,117</b>	<b>1,054</b>

The audit fee for the Company for the year ended 31 December 2010 of £1,500 (2009 £1,500) is borne by a fellow subsidiary company and included within the management charge

The management charges from fellow subsidiary undertakings, Craegmoor Facilities Company Limited and Craegmoor Healthcare Company Limited, relate to an allocation of operating costs incurred on behalf of the Company and its fellow subsidiaries

### **5 Exceptional items**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Consideration for intragroup investment transfer	<b>-</b>	<b>135</b>
Impairment of fixed asset investments	<b>(716)</b>	<b>-</b>
	<b>(716)</b>	<b>135</b>

On the 31 December 2009 Health & Care (NW) Limited was transferred with negative net assets of £135,000 from Health & Care Services (UK) Limited, a fellow subsidiary. In consideration for this transfer £135,000 has been paid by Health & Care Services (UK) Limited to the Company in the form of a long term intercompany debtor (Note 9)

The exceptional items had no effect on the charge for current taxation for the financial year (2009 £Nil)

### **6 Tax on (loss)/profit on ordinary activities**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>Deferred taxation</b>		
Origination and reversal of timing differences	<b>(19)</b>	<b>7</b>
Adjustment in respect of prior periods	<b>(10)</b>	<b>(15)</b>
Total deferred taxation	<b>(29)</b>	<b>(8)</b>
<b>Tax credit on (loss)/profit on ordinary activities</b>	<b>(29)</b>	<b>(8)</b>

# Craegmoor Older People Care Limited (formerly London Parkcare Limited)

## Notes to the financial statement for the year ended 31 December 2010 (continued)

### 6 Tax on profit on ordinary activities (continued)

During the year it was announced and substantively enacted that the UK corporation tax rate would reduce from 28% to 27% effective from 1 April 2011, the resulting deferred tax credit is £15,000 and is included in the current year amount shown above. Subsequent to the balance sheet date it was announced that the UK corporation tax rate would reduce to 26% from 1 April 2011 however this change in tax rate was not substantively enacted at the balance sheet date and is therefore not included within the current year movement above. Further reductions to the main rate are proposed to reduce the rate by 1 per cent per annum to 23 per cent by 1 April 2014. The changes had not been substantively enacted at the balance sheet date and, therefore, are not included in these financial statements. The impact of the future proposed reductions in tax rate would not result in a material adjustment to the financial statements.

There is no current tax charge for the year (2009 £Nil). The tax for the period differs from the standard effective rate of corporation tax in the UK for the year ended 31 December 2010 of 28% (2009 28%). The differences are explained below.

	2010	2009
	£'000	£'000
<b>(Loss)/profit on ordinary activities before taxation</b>	<b>(415)</b>	<b>652</b>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28% (2009 28%)	(116)	183
Effects of		
Expenses not deductible for tax purposes	211	(30)
Capital allowances for the year less than / (in excess) of depreciation	4	(6)
Short term timing differences	-	1
Transfer pricing adjustments and balancing payment	60	69
Group relief received not paid for	(159)	(217)
<b>Current tax charge</b>	<b>-</b>	<b>-</b>

#### Factors affecting current and future tax charges

No provision has been made for deferred tax on gains recognised on revaluing property to its market value. Such tax would become payable only if the property was sold without it being possible to claim rollover relief or utilise available losses. The total amount unprovided for at 27% is £1,842,000 (2009 £1,911,000 at 28%).

# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Notes to the financial statement for the year ended 31 December 2010 (continued)**

### **7 Tangible assets**

	<b>Freehold land and buildings</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Cost or valuation</b>			
At 1 January 2010	6,379	411	6,790
Additions	30	-	30
<b>At 31 December 2010</b>	<b>6,409</b>	<b>411</b>	<b>6,820</b>
<b>Accumulated depreciation</b>			
At 1 January 2010	117	335	452
Charge for the year	29	23	52
<b>At 31 December 2010</b>	<b>146</b>	<b>358</b>	<b>504</b>
<b>Net book value</b>			
<b>At 31 December 2010</b>	<b>6,263</b>	<b>53</b>	<b>6,316</b>
At 31 December 2009	6,262	76	6,338

In accordance with FRS 15 and the Craegmoor Group's accounting policy, the land and buildings occupied by the Company, were revalued by external valuers, Christie & Co, Chartered Surveyors and Valuers, as at 18 July 2008, being the date the Craegmoor Group (No 5) Limited group, the ultimate parent company at the time, was acquired by the Craegmoor Group Limited group. These valuations were carried out on the basis of existing use value in accordance with the appraisal and valuation manual of the Royal Institution of Chartered Surveyors.

Where appropriate, the entire portfolio will be revalued every five years, the next valuation being 18 July 2013, together with interim revaluations every three years.

If freehold land and buildings had not been revalued they would have been included at the following amounts

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Cost	400	400
Aggregate depreciation	(15)	(9)
<b>Net book value</b>	<b>385</b>	<b>391</b>



# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Notes to the financial statement for the year ended 31 December 2010 (continued)**

### **8 Investments**

	Share in subsidiary undertakings £'000
<b>Cost</b>	
At 1 January 2010 and 31 December 2010	756
<b>Impairment</b>	
At 1 January 2010	-
Impairment in year	716
<b>At 31 December 2010</b>	<b>716</b>
<b>Net book value</b>	
At 31 December 2010	40
At 31 December 2009	756

The Company's subsidiary undertakings are as follows

Name of undertaking	Principal activity	Description of shares held	Proportion of nominal value of issued shares held
Health & Care Services (NW) Limited	Care delivery	Ordinary £1 shares	100%
Speciality Healthcare Limited	Care delivery	Ordinary £1 shares	100%

Both of the above companies are incorporated in England and Wales

### **9 Debtors**

	2010 £'000	2009 £'000
Amounts owed by group undertakings amounts falling due within one year	3,069	2,746
Amounts owed by group undertakings amounts falling due after more than one year	135	135
	<b>3,204</b>	<b>2,881</b>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. However, the Directors of the relevant company have confirmed they will not seek any repayments of the loan, disclosed as due after one year, within 12 months after the year-end.

# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Notes to the financial statement for the year ended 31 December 2010 (continued)**

### **10 Creditors: amounts falling due after one year**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
Amounts owed to group undertakings	<b>756</b>	<b>756</b>

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. However, the relevant group undertaking has confirmed to the Directors of the Company that it will not seek any repayments of this loan within 12 months after the year-end.

### **11 Provisions for liabilities and charges**

	<b>Deferred tax</b>
	<b>£'000</b>
At 1 January 2010	<b>434</b>
Credited to the profit and loss account	<b>(29)</b>
<b>At 31 December 2010</b>	<b>405</b>

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>The amount provided for deferred taxation comprises:</b>		
Accelerated capital allowances	<b>405</b>	<b>436</b>
Short term timing differences	<b>-</b>	<b>(2)</b>
	<b>405</b>	<b>434</b>

### **12 Called up share capital**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
<b>Authorised</b>		
5,000 (2009 5,000) Ordinary shares of £1 each	<b>5</b>	<b>5</b>
<b>Issued and fully paid</b>		
100 (2009 100) Ordinary shares of £1 each	<b>-</b>	<b>-</b>

# **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

## **Notes to the financial statement for the year ended 31 December 2010 (continued)**

### **13 Reserves**

	<b>Profit and loss reserve</b>	<b>Revaluation reserve</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January 2010	1,961	6,824
Loss for the financial year	(386)	-
<b>At 31 December 2010</b>	<b>1,575</b>	<b>6,824</b>

### **14 Reconciliation of movements in total shareholders' funds**

	<b>2010</b>	<b>2009</b>
	<b>£'000</b>	<b>£'000</b>
(Loss)/profit for the financial year	(386)	660
Net (decrease)/increase in total shareholders' funds	(386)	660
Opening total shareholders' funds	8,785	8,125
<b>Closing total shareholders' funds</b>	<b>8,399</b>	<b>8,785</b>

### **15 Post balance sheet events**

On 14 April 2011, the entire share capital of Craegmoor Group Limited, the Company's ultimate parent company, was acquired by Crown Newco 1 Limited. Subsequently the shares were transferred to Priory Investments Holdings Limited, a subsidiary undertaking of Crown Newco 1 Limited.

### **16 Contingent liabilities**

There was a fixed and floating charge over the assets of the Company and certain of its fellow subsidiaries in respect of an external loan undertaken by an intermediate parent undertaking as at 31 December 2010. Amounts drawn down on the facility of £192,116,000 (2009 £192,622,000) amounted to £177,283,000 (2009 £179,767,000) inclusive of accrued interest, as at 31 December 2010.

### **17 Capital commitments**

At 31 December 2010 the Company had instructed suppliers to carry out work on ongoing capital projects with a total value of £Nil (2009 £Nil).

### **18 Related party transactions**

The Company has taken advantage of the exemption granted under paragraph 3c of the amendment to FRS 8 and not disclosed any transactions with other group companies where they are wholly owned by a common parent.

## **Craegmoor Older People Care Limited (formerly London Parkcare Limited)**

### **Notes to the financial statement for the year ended 31 December 2010 (continued)**

#### **19 Immediate and ultimate parent companies**

The Directors regard Craegmoor Older People Care (Holdings) Limited, a company registered in England and Wales, as the immediate parent company of Craegmoor Older People Care Limited, and as of 14 April 2011, Crown Newco 1 Limited, a company registered in England and Wales, as the ultimate parent company in the United Kingdom. At 31 December 2010 Craegmoor Group Limited was the ultimate parent company in the United Kingdom. Crown Newco 1 Limited is beneficially owned by funds managed by Advent International Corporation which is considered by the directors to be the ultimate controlling party of the company.

Craegmoor Group Limited is the parent company of the largest and smallest group in which Craegmoor Older People Care Limited is consolidated for the year ended 31 December 2010. Copies of Craegmoor Group Limited's consolidated financial statements may be obtained from its registered office, Craegmoor House, Perdiswell Park, Worcester, WR3 7NW.