Care UK Mental Health Partnerships Limited

Directors' report and financial statements
For the year ended 30 September 2010
Registered number 01833385

Contents

Company Information

Directors
M R Parish
P J Humphreys
A J Rose-Quirie
C R Brown
A H Culhane

Secretary
Care UK Services Limited

Auditors
KPMG Audit Plc
6 Lower Brook Street
Ipswich
Suffolk
IP4 1AP

Bankers
HSBC Bank Plc
Midland House
26 North Station Road
Colchester
Essex
CO1 1SY

Registered Office
Connaught House
850 The Crescent
Colchester Business Park
Colchester
CO4 9QB

Registered number
01833385

Directors' Report

The directors present their report and financial statements for the year ended 30 September 2010

Principal activities and review of the business
The company is principally engaged in the provision of care for the severe and enduring mentally ill in a range of dependencies from step down low secure units to 24 hour nurse care

Business review
The company strategy is to continue to grow both organically and through acquisition where market consolidation opportunities make this cost effective Following a strategic review of the business a decision was made to close a number of mental health homes over a two year period As at 30 September 2010 three such homes had been closed

The Key Performance Indicators (KPIs) used by the company to measure financial performance are revenue, operating profit, operating profit margin, bed numbers and occupancy Turnover in the company has increased by 0 7% from the previous year Operating profit for the year amounted to £196,000 (2009 £2,109,000) Operating profit margin decreased year on year from 14 7% to 1 4% Excluding the impact of a provision for home closure costs of £2,321,000 in the current year, the operating profit margin increased from 14 7% in 2009 to 17 4% Total bed numbers at the year end were 256 (2009 326)

The main financial risk in the business relates to the level of financial occupancy achieved in the non-block contracted services which comprise 61% (2009 70%) of total beds in the business at the year end The company has achieved average financial occupancy across all of its beds of 94% in the year compared to 93% in the previous year

No interim dividend was paid in respect of the current year (2009 £nil) The directors do not recommend a final ordinary dividend to be paid in respect of the current year (2009 £nil)

On 3 March 2010, the Board of Care UK Limited, a parent company of the company, recommended proposals for the acquisition of the entire share capital of Care UK by Bridgepoint These proposals met shareholder and legal approvals on 27 April 2010

Directors
The directors who served during the year were as follows

M R Parish
P J Humphreys
R N Jackson (Resigned 12 May 2010)
A J Rose-Quirie
C R Brown
D Umbers (Resigned 27 April 2010)
A H Culhane (Appointed 8 April 2010)

Employees
It is group policy to give fair consideration to the employment needs of disabled people to comply with current legislation with regard to disabled persons and, wherever practicable, to continue to employ and promote the careers of existing employees, who become disabled and to consider disabled persons for employment, subsequent training, career development and promotion on the basis of their aptitude and abilities

Management regularly visit local offices and discuss matters of current interest and concern to the business with members of staff

Management have developed a series on internal communications tools, including e-mail notices, newsletters and 'cascade' briefings in order to keep employees informed regarding the progress, financial position and commercial issues of the Care UK group

Directors' Report *(continued)*

Political and charitable donations
The company made no political or charitable donations during the year *(2009 £nil)*

Statement on payment of suppliers
The company does not follow a specific code or statement on payment practice However, it is the company's policy to pay its suppliers in accordance with the payment terms agreed at the outset of the relationship providing the supplier adheres to its obligations

Disclosure of information to auditors
The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information

Auditors
Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and KPMG Audit Plc will therefore continue in office

By order of the board

C R Brown
Director

Connaught House
850 The Crescent
Colchester Business Park
Colchester
CO4 9QB
29 June 2011

Statement of Directors' Responsibilities in respect of the Directors' Report and the financial statements

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Independent auditors' report
to the members of Care UK Mental Health Partnerships Limited

We have audited the financial statements of Care UK Mental Health Partnerships Limited for the year ended 30 September 2010 set out on pages 7 to 20 The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice)
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditors
As explained more fully in the Directors' Responsibilities Statement set out on page 5, 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 APB's web-site at www frc org uk/apb/scope/UKNP

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 30 September 2010 and of its loss for the year then ended
- have been properly prepared in accordance with UK 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

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

S Beavis

S Beavis (Senior Statutory Auditor)

for and on behalf of KPMG Audit Plc, Statutory Auditor

Chartered Accountants

6 Lower Brook Street
Ipswich
IP4 1AP

29 June 2011

Profit and Loss Account
For the year ended 30 September 2010

	Note	**2010**	2009
		£000	£000
Turnover	2	**14,476**	14,379
Cost of sales		**(11,126)**	(11,034)
Gross profit		**3,350**	3,345
Administrative expenses		**(3,154)**	(1,236)
Operating profit		**196**	2,109
Interest payable and similar charges	3	**(367)**	(726)
(Loss)/profit on ordinary activities before taxation	4-6	**(171)**	1,383
Tax on (loss)/profit on ordinary activities	7	**(757)**	(457)
(Loss)/profit for the financial year		**(928)**	926

All results derive from continuing activities

The company has no recognised gains or losses other than the profit for the above year

There were no material differences between the result as disclosed in the profit and loss account and that given by an unmodified historical cost basis during the current year

Notes on pages 9-20 form an integral part of these financial statements,

Balance Sheet
As at 30 September 2010

	Note	**2010** £000	£000	2009 £000	£000
Fixed assets					
Intangible assets	8		**826**		916
Tangible assets	9		**11,071**		15,322
Investments	10		**5,846**		5,846
			17,743		22,084
Current assets					
Stocks	11	**3,782**		8	
Debtors	12	**852**		1,448	
Cash at bank and in hand		**5,438**		310	
		10,072		1,766	
Creditors: amounts falling due within one year	13	**(3,681)**		(3,082)	
Net current assets / (liabilities)			**6,391**		(1,316)
Total assets less current liabilities			**24,134**		20,768
Creditors: amounts falling due after more than one year	14		**(21,515)**		(17,259)
Provisions for liabilities and charges					
Deferred taxation	15		**(451)**		(413)
Net assets			**2,168**		3,096
Capital and reserves					
Called up share capital	16		**-**		-
Profit and loss account	17		**2,168**		3,096
Shareholders' funds	18		**2,168**		3,096

Company registration number 01833385

These financial statements were approved by the board of directors on 29 June 2011 and were signed on its behalf by

C R Brown
Director

Notes on pages 9-20 form an integral part of these financial statements,

Notes to the financial statements

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the financial statements

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

The company is exempt from the requirement of Financial Reporting Standard No 1 (revised) to prepare a cash flow statement as it is a wholly owned subsidiary undertaking of Care UK Limited and its cash flows are included within the consolidated cash flow statement of that company

The company is exempt from the requirement of Financial Reporting Standard No 2 to prepare consolidated financial statements by virtue of section 400 of the Companies Act 2006 These financial statements present information about the Company as an individual undertaking and not as a Group

As the company is a wholly owned subsidiary of Care UK Limited, the company has taken advantage of the exemption contained in Financial Reporting Standard No 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties) The consolidated financial statements of Care UK Limited, within which this company is included, can be obtained from the address given in note 23

Going concern
The company's business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors' Report on page 3 The company is expected to continue to generate positive cash flows on its own account for the foreseeable future In addition the company has access to funds provided by Care UK Limited, a parent company The directors, having assessed the responses of the directors of Care UK Limited to their enquiries have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the Care UK group to continue as a going concern On the basis of their assessment of the company's financial position and of the enquiries made of the directors of Care UK Limited, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

Investments
Investments in subsidiary undertakings are stated at cost less provisions for impairments

Goodwill
Purchased goodwill arises on acquisitions and is the difference between the fair value of the purchase consideration and associated costs and the fair values attributable to the net assets acquired In accordance with FRS 10, the goodwill arising on acquisitions completed on or after 1 October 1998 is capitalised as an intangible fixed asset and amortised over its estimated useful life, which will not exceed 20 years Goodwill arising on acquisitions prior to this date was taken directly to reserves in the year of acquisition On the disposal of businesses, any unamortised goodwill in the balance sheet or goodwill previously taken to reserves in respect of such business is charged against the disposal in the profit and loss account

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Fixed assets

Freehold and long leasehold land and buildings are carried in the financial statements at cost Assets in the course of construction are carried in the financial statements at cost, taken from the most recent valuation certificate received prior to the date of the financial statements

The cost of land and buildings includes both the costs of financing assets in the course of construction and other costs that are directly attributable to bringing the asset into working condition for its intended use Capitalisation of finance and other costs ceases at the date the asset is fully capable of providing the service for which it has been constructed

Depreciation is provided to write off the cost, less estimated residual values, of fixed assets by equal instalments over their estimated useful economic lives as follows

Freehold land	No depreciation provided
Freehold buildings	5 to 50 years
Fixtures, fittings, and equipment	3 to 10 years

Costs incurred in relation to contracts not yet signed where the company has been appointed preferred provider are capitalised in accordance with UITF Abstract 34 Such amounts are held within other debtors until such time as the contract is signed when they are transferred into assets in the course of construction

Stocks

Stocks are valued at the lower of cost and net realisable value

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19

Pensions

The company operates a defined contribution pension scheme The assets of the scheme are held separately from those of the group in independently administered managed funds Contributions to defined contribution personal pension schemes are charged to the profit and loss account in the year in which they become payable

The company also participates in a group pension scheme providing benefits based on final pensionable pay The assets of the scheme are held separately from those of the company being invested with insurance companies Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company

Because the company is unable to identify its share of the group scheme assets and liabilities on a consistent and reasonable basis, as permitted by FRS 17 'Retirement benefits' the scheme is accounted for by the Company as if the scheme was a defined contribution scheme Further information is available in the Care UK Limited group financial statements

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Leasing
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease

2 Turnover

Turnover represents sales and services to third party customers in the health and social care sector, stated net of any applicable value added tax Turnover is recognised when services are provided

3 Interest payable

	2010	2009
	£000	£000
Intercompany interest payable	**367**	726

4 Directors' emoluments

	2010	2009
	£000	£000
Total emoluments	**262**	52

Total emoluments above include all amounts payable to A J Rose-Quirie and C R Brown The highest paid director during the year received £164,000

The emoluments of M R Parish, P J Humphreys and D Umbers are disclosed in the financial statements of Care UK Limited The emoluments of R N Jackson are disclosed in the financial statements of Care Solutions Limited, a fellow group company The emoluments of A H Culhane are disclosed in the financial statements of Care UK Healthcare (South East) Limited, a fellow group company

Retirement benefits under money purchase pension schemes are accruing to 6 directors *(2009 6)*

Notes to the financial statements *(continued)*

5 Staff numbers and cost

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows

	Number of employees	
	2010	2009
Care staff	**380**	388
Management and administration	**40**	39
	420	427

The aggregate payroll costs of these persons were as follows

	2010	2009
	£000	£000
Wages and salaries	**6,891**	6,973
Social security costs	**576**	549
Other pension costs	**48**	39
	7,515	7,561

6 (Loss)/profit on ordinary activities before taxation

	2010	2009
	£000	£000
(Loss)/profit on ordinary activities before taxation is stated after charging		
Auditor's remuneration in respect of the audit of these financial statements	**12**	14
Depreciation of owned tangible fixed assets	**614**	624
Loss on disposal of fixed assets	**15**	6
Amortisation of intangible assets	**90**	91
Impairment of intangible assets	**-**	9
Impairment of tangible assets	**1,222**	-
Closure provisioning costs	**957**	-
Rentals payable under operating leases		
Land and buildings	**223**	218

Notes to the financial statements *(continued)*

7 Taxation

	2010 £000	2009 £000
UK corporation tax at 28% *(2009 28%)*	**420**	395
Adjustment relating to an earlier year	**299**	-
	719	395
Deferred tax		
Origination and reversal of timing differences	**30**	128
Adjustment relating to an earlier year	**23**	(66)
Effect of decreased tax rate on opening liability	**(15)**	-
Tax on profit on ordinary activities	**757**	457

Current tax reconciliation

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows

	2010 £000	2009 £000
(Loss)/profit on ordinary activities before tax	**(171)**	1,383
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax 28% *(2009 28%)*	**(48)**	387
Effects of		
Adjustments to tax charge relating to an earlier year	**299**	-
Capital allowances for period in excess of depreciation	**72**	71
Goodwill amortisation	**25**	28
Expenses not deductible for tax purposes	**415**	-
Capitalised revenue expenditure allowable on accounts basis	**(14)**	(10)
Capitalised revenue expenditure	**(34)**	-
Loss on disposal of fixed assets	**4**	(2)
Utilisation of brought forward losses	**-**	(79)
Current tax charge for year	**719**	395

On 23 March 2011 the Chancellor announced a reduction in the main rate of UK corporation tax to 26 per cent with effect from 1 April 2011 This change became substantively enacted on 29 March 2011 and therefore the effect of the rate change would create an additional reduction in the deferred tax liability of approximately £5k This has not been reflected in the figures above as it was not substantively enacted at the balance sheet date

Notes to the financial statements *(continued)*

8 Intangible assets

	Total
	£000
Cost	
At 1 October 2009	1,814
At 30 September 2010	1,814
Amortisation and impairment losses	
At 1 October 2009	898
Amortisation charge for year	90
At 30 September 2010	988
Net book value	
At 30 September 2010	**826**
At 1 October 2009	916

Intangible assets represents purchase goodwill related to acquisitions completed on or after 1 October 1998

Notes to the financial statements *(continued)*

9 Tangible fixed assets

	Land and buildings	Fixtures fittings and equipment	Assets in course of construction	Total
	£000	£000	£000	£000
Cost				
At 1 October 2009	14,815	3,819	180	18,814
Additions	744	271	386	1,401
Transfers to current assets	(5,089)	(1,387)	-	(6,476)
Transfer to/from AICC	409	-	(409)	-
Disposals	-	(69)	-	(69)
At 30 September 2010	10,879	2,634	157	13,670
Depreciation				
At 1 October 2009	1,284	2,208	-	3,492
Charge for year	164	450	-	614
Transfers to current assets	(528)	(924)	-	(1,452)
Disposals	-	(55)	-	(55)
At 30 September 2010	920	1,679	-	2,599
Net book value				
At 30 September 2010	**9,959**	**954**	**157**	**11,071**
At 1 October 2009	13,531	1,611	180	15,322

Land and buildings include depreciable assets with an original cost of £5,875,000 (2009 £7,896,000) and capitalised interest of £260,000 (2009 £260,000)

Within the year assets with a book value of £5,025,000 have been transferred to current assets property stock due to the decision to close them On transfer impairment of £1,222,000 was charged

Notes to the financial statements *(continued)*

10 Investments

	Investments in subsidiary undertakings
	£000
Cost	
At 30 September 2010 and 1 October 2009	6,635
Provision for impairment	
At 30 September 2010 and 1 October 2009	789
Net book value	
At 30 September 2010 and 1 October 2009	**5,846**

The following subsidiaries, which are incorporated in England and Wales and operate in the United Kingdom, have been included in the consolidated financial statements of Care UK Limited and are all directly held by the holding company

Subsidiaries	Class of share capital held	Effective holding percentage	Nature of business
Park Villa Limited	Ordinary	100%	Provision of care to service users with complex needs and some dual diagnosis with a learning disability
Generis Limited	Ordinary	100%	Provision of low security psychiatric care

The company formed a joint venture company called Care UK - Trent Mental Health Partnerships Limited with Trent CBT Services Limited on 9 August 2010 The company and Trent CBT Services Limited each own 50% of the ordinary share capital of the joint venture company and each have equal voting rights As at 30 September 2010 the joint venture company had not began trading

11 Stocks

	2010	2009
	£000	£000
Raw materials and consumables	**7**	8
Assets held for resale	**3,775**	-
	3,782	8

Notes to the financial statements *(continued)*

12 Debtors

	2010	2009
	£000	£000
Amounts due within one year		
Trade debtors	622	511
Amounts owed by group undertakings	-	733
Other debtors	87	16
Prepayments and accrued income	143	188
	852	1,448

13 Creditors: amounts falling due within one year

	2010	2009
	£000	£000
Trade creditors	212	807
Amounts owed to group undertakings	1,050	-
Other taxes and social security costs	261	275
Corporation tax	420	395
Accruals and deferred income	1,738	1,605
	3,681	3,082

The amounts owed to group undertakings are unsecured, repayable on demand and carry no interest charge

14 Creditors: amounts falling due after more than one year

	2010	2009
	£000	£000
Amounts owed to group undertakings	21,515	17,259

The amounts owed to group undertakings bears interest at the rate of 1 5% over 3-month LIBOR, with the interest rate being reset quarterly The loan is unsecured The amounts advanced are repayable in full by 31 January 2015 The company may, at its discretion, make repayments on account of the principal amounts outstanding Any capital not paid by 31 January 2015 shall immediately generate interest at the rate of 5 0% over the interest rate then in force

Notes to the financial statements *(continued)*

15 Deferred taxation

	2010 £000	2009 £000
Accelerated capital allowances	**387**	413
Other short term timing differences	**64**	-
Undiscounted deferred tax provision	**451**	413
At 1 October	**413**	351
Charged to profit and loss account – current year	**30**	128
Charged/(credited) to profit and loss account – prior year	**23**	(66)
Effect of decreased tax rate on opening liability	**(15)**	-
At 30 September	**451**	413

16 Share capital

	2010 £	2009 £
Authorised		
100 *(2009 100)* ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid		
100 *(2009 100)* ordinary shares of £1 each	**100**	100

17 Profit and loss account

	Profit and loss account £000
At 1 October 2009	3,096
Loss for the financial year	(928)
At 30 September 2010	**2,168**

Notes to the financial statements *(continued)*

18 Reconciliation of movement in shareholders' funds

	Shareholders' funds £000
At 1 October 2009	3,096
Loss for the financial year	(928)
At 30 September 2010	**2,168**

19 Commitments under operating leases

Annual commitments under non-cancellable operating leases are as follows

	Land and buildings 2010 £000	Land and buildings 2009 £000
Operating leases which expire		
Within one year	-	49
Over five years	**174**	169
	174	218

20 Pension commitments

a) *Defined contribution scheme*
The Care UK Limited group has an Inland Revenue approved defined contributions group pension plan Contributions to this scheme are charged to the profit and loss account evenly throughout the year The assets of the scheme are held separately from those of the group in an independently administered fund The pension cost for the year represents contributions payable by the company to the fund and amounted to £48,000 *(2009 £39,000)*

b) *Defined benefit scheme*
The company also participates in a group pension scheme providing benefits based on final pensionable pay, the Care UK LG pension scheme The assets of the scheme are held separately from those of the company being invested with insurance companies Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over the employees' working lives with the company

Because the company is unable to identify its share of the group scheme assets and liabilities on a consistent and reasonable, as permitted by FRS 17 'Retirement benefits' the scheme will be accounted for by the company as if the scheme was a defined contribution scheme

The latest full actuarial valuation was carried out at 1 April 2009 Further information is available in the Care UK Limited group financial statements

Notes to the financial statements *(continued)*

21 Share based payments

The group had a number share-based payment schemes, all options outstanding under these schemes vested and were exercised upon acquisition of the group by Care UK Health and Social Care Plc There are no outstanding options as at 30 September 2010 No options were granted in the year ended 30 September 2010 No share-based payment charge has been recognised in these financial statements (2009 £nil) For further information, please refer to the financial statements of Care UK Limited

22 Contingent Liabilities

The group's bankers hold a fixed and floating charge over the assets of the company to secure amounts advanced to the parent company and certain fellow subsidiaries The group has a secured loan facility of £216 3 million (2009 £216 3 million) that expires on 17 February 2015 In addition the group has an overdraft facility of £3 million (2009 £3 million) As at 30 September 2010 the group had drawn down £170 7 million (2009 £170 7 million) of those facilities

The company has an unsecured loan from its immediate parent undertaking, Care UK Limited The loan is repayable by the borrower in full by 31 January 2015 Interest is payable on the amount of the advance outstanding at a rate above LIBOR agreed between the parties

In addition the company is a guarantor to the funding arrangements disclosed in the financial statements of Care UK Health and Social Care Newco Limited – please refer to those financial statements for full details, a brief summary of which is given below

i) Senior Secured Notes

In July 2010 Care UK Health & Social Care Plc (the Issuer) issued £250 million 9¾% Senior Secured Notes Interest is payable semi-annually in arrears

The Senior Secured Notes will mature on 1 August 2017 The Senior Secured Notes are guaranteed on a senior secured basis by each of Care UK Health & Social Care Newco Limited, Care UK Limited, and certain of the Issuer's other operating subsidiaries

ii) Super Senior Revolving Credit Facility

The group has an £80 million Super Senior Revolving Credit Facility, a revolving facility loan The facility expires on 13 July 2016 The margin payable on the outstanding loan is in the range of 2 5% to 4 0% above LIBOR plus any mandatory costs depending on the total net leverage of the group The final repayment date is 13 July 2016 The facility remains undrawn with the exception of £22 0 million as at 30 September 2010 in relation to performance bonds

23 Ultimate Parent and Controlling Party

The company is a wholly owned subsidiary of Care UK Limited, which is registered in England and Wales Care UK Health and Social Care Plc prepares group financial statements

The company's ultimate parent company and controlling party is Care UK Health and Social Care Holdings Limited, which is registered in England and Wales

Copies of the financial statements of Care UK Health and Social Care Holdings Limited, which include the consolidated results of this company, are available from its registered office at Connaught House, 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9QB