
CHS HEALTHCARE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

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CHS HEALTHCARE LIMITED

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CHS HEALTHCARE LIMITED

COMPANY INFORMATION

Directors	M R Parish R Pearman A Knight M Rosenberg P Whitecross
Company secretary	J D Calow
Registered number	02797701
Registered office	Connaught House 850 The Crescent Colchester Business Park Colchester Essex CO4 9QB
Independent auditors	KPMG LLP Botanic House 100 Hills Road Cambridge CB2 1AR
Bankers	HSBC Bank Plc Midland House 26 North Station Road Colchester Essex CO1 1SY

CHS HEALTHCARE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2017

The directors present their report and the financial statements for the year ended 30 September 2017.

Principal activity

The company is a holding company for a group providing the operation of nursing and residential care homes for the elderly.

The company has not presented a Strategic Report in these financial statements due to the small companies exemption available to it.

Business review

The company acted as a holding company in the year.

Results and dividends

The profit for the year, after taxation, amounted to £6,737,000 (2016 - £15,227,000).

An internal dividend of £8,000,000 (2016: £15,000,000) was received and paid in the year.

Directors

The directors who served during the year were:

M R Parish
R Pearman
A Knight
M Rosenberg
P Whitecross

Political and charitable donations

The company made no political or charitable donations during the year (2016: £nil).

Disclosure of information to auditors

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

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

Post balance sheet events

There have been no significant events affecting the Company since the year end.

CHS HEALTHCARE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

Auditors

The auditors, KPMG LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 16 March 2018 and signed on its behalf.


M Rosenberg
Director

CHS HEALTHCARE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 30 SEPTEMBER 2017

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 United Kingdom Accounting Standards and applicable law (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 to enable them to ensure that the company complies with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHS HEALTHCARE LIMITED

Opinion

We have audited the financial statements of CHS Healthcare Limited ("the company") for the year ended 30 September 2017 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 September 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHS HEALTHCARE LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF CHS HEALTHCARE LIMITED
(CONTINUED)**

The purpose of our audit work and to whom we owe our responsibilities

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.

S Beavis

**Stephanie Beavis (Senior Statutory Auditor)
for and on behalf of KPMG LLP Statutory Auditor**

Chartered Accountants
100 Hills Road
Cambridge
CB2 1AR

16 March 2018

CHS HEALTHCARE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Note	2017 £000	2016 £000
Income from shares in group undertakings		6,500	15,000
Interest receivable and similar income	6	237	227
Profit before tax		6,737	15,227
Tax on profit	7	-	-
Profit for the financial year		6,737	15,227
Total comprehensive income for the year		6,737	15,227

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

The notes on pages 12 to 20 form part of these financial statements.

CHS HEALTHCARE LIMITED
REGISTERED NUMBER: 02797701

BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Investments	9	1,504	1,504
		<u>1,504</u>	<u>1,504</u>
Current assets			
Debtors: amounts falling due after more than one year	10	1,788	3,051
Debtors: amounts falling due within one year	10	1	1
		<u>1,789</u>	<u>3,052</u>
Total assets less current liabilities		<u>3,293</u>	<u>4,556</u>
Net assets		<u>3,293</u>	<u>4,556</u>
Capital and reserves			
Called up share capital	11	232	232
Share premium account		1,350	1,350
Capital redemption reserve		1,180	1,180
Profit and loss account		531	1,794
Shareholders' funds		<u>3,293</u>	<u>4,556</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 March 2018.


M Rosenberg
 Director

The notes on pages 12 to 20 form part of these financial statements.

CHS HEALTHCARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 October 2016	232	1,350	1,180	1,794	4,556
Comprehensive income for the year					
Profit for the year	-	-	-	6,737	6,737
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	6,737	6,737
Dividends: Equity capital	-	-	-	(8,000)	(8,000)
Total transactions with owners	-	-	-	(8,000)	(8,000)
At 30 September 2017	232	1,350	1,180	531	3,293

CHS HEALTHCARE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2016**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000	£000
At 1 October 2015	232	1,350	1,180	1,567	4,329
Comprehensive income for the year					
Profit for the year	-	-	-	15,227	15,227
Other comprehensive income for the year	-	-	-	-	-
Total comprehensive income for the year	-	-	-	15,227	15,227
Dividends: Equity capital	-	-	-	(15,000)	(15,000)
Total transactions with owners	-	-	-	(15,000)	(15,000)
At 30 September 2016	232	1,350	1,180	1,794	4,556

The notes on pages 12 to 20 form part of these financial statements.

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

1. General information

The company is a wholly owned subsidiary of Care UK Limited, which is registered in England and Wales. Registered office: Connaught House, 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9QB.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The disclosure requirements of section 1 'Reduced disclosures for subsidiaries' of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Care UK Health and Social Care Holdings Limited as at 30 September 2017 and these financial statements may be obtained from Connaught House, 850 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9QB.

2.3 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

CHS HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

2. Accounting policies (continued)

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

2. Accounting policies (continued)

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.9 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.10 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with FRS 102 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year then ended. Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the year that an adjustment is determined to be required.

Management regularly discusses with the Group Audit Committee the development, selection and disclosure of the Company's critical accounting policies and estimates and the application of these policies and estimates.

4. Auditors' remuneration

Auditors' remuneration of £1,000 (2016: £1,000) was borne by another group undertaking in both financial years.

5. Directors' remuneration

The directors received no emoluments during the financial year ended 30 September 2017 for their services to the company (2016: £nil).

The emoluments of R Pearman, A Knight and M Rosenberg for services to the Care UK Ltd Group are paid by and disclosed within the accounts of Care UK Community Partnerships Ltd.

The emoluments of M Parish and P Whitecross for services to the Care UK Ltd Group are paid by and disclosed within the accounts of Care UK Health and Social Care Investments Ltd.

Retirement benefits under money purchase pension schemes are accruing to 2 directors (2016: 2 directors).

6. Interest receivable

	2017 £000	2016 £000
Interest receivable from group companies	237	227
	<u>237</u>	<u>227</u>

CHS HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

7. Taxation

	2017 £000	2016 £000
Total current tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.5% (2016 - 19.5%). The differences are explained below:

	2017 £000	2016 £000
Profit on ordinary activities before tax	6,737	15,227
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.5% (2016 - 19.5%)	1,314	2,969
Effects of:		
Non taxable income	(1,268)	(2,925)
Group relief claimed	(46)	(44)
Total tax charge/(credit) for the year	-	-

Factors that may affect future tax charges

The reduction in the UK corporation tax rate from 20% to 19% was effective from 1 April 2017. The main rate of corporation tax will further reduce to 17% from 1 April 2020, this was substantively enacted on 6 September 2016.

8. Dividends

	2017 £000	2016 £000
Dividend paid	8,000	15,000
	8,000	15,000

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

9. Fixed asset investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2016	1,504
At 30 September 2017	1,504
Net book value	
At 30 September 2017	1,504
At 30 September 2016	1,504

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Community Health Services Limited	Ordinary	100 %	Operation of nursing and residential care homes
CHS (Kincardine) Limited	Ordinary	100 %	Operation of nursing and residential care homes

The aggregate of the share capital and reserves as at 30 September 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £000	Profit/(loss) £000
Community Health Services Limited	3,222	1,828
CHS (Kincardine) Limited	652	(48)
	3,874	1,780

CHS HEALTHCARE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

10. Debtors

	2017 £000	2016 £000
Due after more than one year		
Amounts owed by group undertakings	1,788	3,051
	<u>1,788</u>	<u>3,051</u>
Due within one year		
Other debtors	1	1
	<u>1</u>	<u>1</u>

11. Share capital

	2017 £000	2016 £000
Shares classified as equity		
Allotted, called up and fully paid		
2,320,000 Ordinary shares of £0.10 each	232	232
	<u>232</u>	<u>232</u>

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

12. Contingent liabilities

Amounts owed to group undertakings include an unsecured loan from a parent undertaking, Care UK Limited. The loan is repayable by the borrower in full by 30 September 2020. Interest is payable on the amount of the advance outstanding at a rate above LIBOR agreed between the parties. For amounts owed to Group undertakings due within one year these are unsecured, repayable on demand and carry no interest charge.

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

i) Senior Secured Notes

Up until 17 July 2014 Care UK Health & Social Care Plc ("the Issuer") had £325.0m of 9¾% Senior Secured Notes in issue (the "2010 Notes").

On 17 July 2014 the Issuer issued £400.0m of floating rate Senior Secured Notes ("the 2014 Notes"). The proceeds of the issue were used to redeem all of the outstanding 2010 Notes, the associated accrued interest and the related redemption premium. The remaining proceeds were used to repay outstanding amounts under the Revolving Credit Facility and pay transaction fees and expenses in connection with the issue of the 2014 Notes.

The 2014 Notes are divided into two tranches, a First Lien tranche of £325.0m (the "2014 Senior Secured Notes"), which mature on 15 July 2019, and a Second Lien tranche of £75.0m (the "2014 Second Lien Notes"), which mature on 15 January 2020. Interest on the 2014 Senior Secured Notes accrues at a rate per annum, reset quarterly, equal to three-month GBP LIBOR plus 5.0%. Interest on the 2014 Second Lien Notes accrues at a rate per annum, reset quarterly, equal to three-month GBP LIBOR plus 7.5%. For both liens interest is payable quarterly in arrears on each of 15 October, 15 January, 15 April and 15 July.

The Issuer may redeem the 2014 Notes in whole or in part at any time on or after 15 July 2015 at the redemption prices set out in the Offering Memorandum. Prior to 15 July 2015, the Issuer may redeem all or part of the 2014 Notes by paying a 'make whole' premium as set out in the Offering Memorandum.

During the three month period ended 30 June 2015 Care UK Health & Social Care Finance Limited, a parent undertaking of the Issuer, purchased in aggregate £16.2m of 2014 Second Lien Notes and subsequently transferred these to the Issuer for cancellation. In addition, the Issuer purchased and cancelled £16.2m of 2014 Second Lien Notes during the year. As a result of these transactions the total of Second Lien Notes remaining in issue at 30 September 2017 was £42.6m.

In July 2015 Care UK Health & Social Care Finance Limited, a parent undertaking of the Issuer, purchased £5.0m of 2014 Second Lien Notes with the intention of transferring these to the Issuer for cancellation. As at 30 September 2017 these Notes are still held by Care UK Health & Social Care Finance Limited and are presented as 'amounts due to related party undertakings' in the consolidated statement of financial position.

In July 2015 the Issuer made an offer to purchase in respect of the 2014 Senior Secured Notes for a maximum of £95.0m. The offer was fully subscribed and completed on 14 August 2015 and the Notes were subsequently cancelled. As a result of this transaction the total of Senior Secured Notes remaining in issue at 30 September 2017 was £230.0m.

The 2014 Senior Secured Notes are guaranteed on a senior basis and the 2014 Second Lien Notes are guaranteed on a senior subordinated basis by Care UK Health & Social Care Investments Limited and certain subsidiary guarantors.

CHS HEALTHCARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

ii) Senior Revolving Credit Facility

On the 11 July 2014 the £115.0m Senior Revolving Credit Facility (the "original RCF") was replaced by an amended £65.0m Revolving Credit Facility (the "amended RCF"). On 17 July 2014 the original RCF utilisations were repaid in full from the proceeds of the issue of the 2014 Notes together with utilisations drawn on the amended RCF.

As at 30 September 2017, £4.0m (30 September 2016: £10.0m) of the amended RCF has been utilised as cash drawings. The remainder of the facility remains undrawn following the expiry of performance bonds provided in relation to certain contracts in the Health Care division (30 September 2016: £9.4m).

The margin payable on any loan utilisation under the amended RCF is in the range of 2.25% to 3.25% above LIBOR plus any mandatory costs depending on the total net leverage of the group. Each utilisation under the facility is repayable and capable of being redrawn at the end of each interest period. The final repayment date is 11 May 2019.

The Amended and Restated Senior Revolving Facility Agreement requires Care UK Health & Social Care Investments Limited, as the parent guarantor, to ensure compliance with a financial covenant relating to super senior gross leverage (calculated as the ratio of the aggregate amount of all outstanding loans under the Amended Revolving Credit Facility to Consolidated EBITDA of the Group for the 12 months ending on that quarter end).

13. Controlling party

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.

The company's immediate parent company is Care UK Community Partnerships 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.