

Court Cavendish Limited

Directors' report and consolidated financial
statements

Fourteen months ended 28 February 2015

Company registration number: 04290684



Contents

Strategic report	1
Directors' report	5
Statement of directors' responsibilities	6
Independent auditors' report to the directors of Court Cavendish Limited	7
Consolidated profit and loss account	9
Consolidated balance sheet	10
Company balance sheet	11
Consolidated cash flow statement	12
Reconciliations of movements in shareholders' funds	13
Consolidated statement of total recognised gains and losses	13
Minority interests	13
Notes to the financial statements	14

Strategic report

The directors present their Strategic report on the affairs of the Group for the fourteen months ended 28 February 2015.

Principal activities

The principal activities of the Group comprise:

- The supply of Management and Consulting services specialising in turnarounds of Social Care and Health Care organisations that support vulnerable people and are highly regulated;
- Provision of residential care, domiciliary care and supported living services for people with learning disabilities and complex needs including mental health needs; and
- Luxury safari experiences to families, groups of friends and couples in the Madikwe Game Reserve in South Africa.

Business review

The results for the period are set out in the consolidated profit and loss account on page 9 and the position of the group as at the period end is set out in the consolidated balance sheet on page 10.

The directors do not recommend the payment of a dividend (*Prior year: £nil*). The profit for the financial period has been added to reserves.

On 30 May 2014, the Company acquired 60.83% (42,063 Ordinary Shares of £0.01 each) of the capital of CMG Holdco Limited for a total consideration of £548,000. The consideration for the shares of £543,000 was satisfied by the allotment and issue of 27,778 Ordinary shares of £1.00 each in the capital of the Company, credited as fully paid and professional fees of £5,000 were settled in cash (see note 26).

Details of other acquisitions in the period are set out in note 26.

The Company acquired 10.7% share in the members' capital of FC Skyfall Investors Parent LLC (a Delaware Limited Liability Company).

As the Group is focussed on the health and care sector, the performance of the Group can be impacted by external factors. The principal factors are changes in the UK government's policy towards outsourcing of health and care, changes in the regulatory regime and competitive threats from other independent providers.

Management uses a range of financial and non-financial indicators to manage the business. These are derived from all areas of the business and include sales growth by home, occupancy and achieved gross profit margin.

Management team

The Group continues to develop its management team, including the culture and ability to respond to sector developments, ensuring that at all times the Group's policies, procedures and ethos maintain a vision for its service users away from institutional settings and into community-based services and accommodation affording more choice and independence.

The Group continues to communicate with transparency to staff, service users and purchasers.

Strategic report *(continued)*

Future prospects

There are growth opportunities in the healthcare sector for the Group, which continues to have a strong reputation. The Group remains well placed to deliver organic growth, supplemented by appropriate acquisitions.

Subsequent to the period end, the Group acquired the trade and assets of Glyn Residential Limited, Heathdene Limited, Farisean Limited and Alderwood LLA Limited.

On 10 December 2015, CMG Holdco Limited entered into a new banking facility agreement with AIB Group (UK) p.l.c., The Royal Bank of Scotland plc and Santander UK plc. The total commitments under the facility agreement amounted to £92 million of which £68 million has been drawn down. The funds were used to repay the existing bank debt of CMG Holdco Limited Group and to pay for the associated fees of the re-financing. Interest rates are set at a rate per annum of 2.5% to 3.5% over LIBOR depending on the Adjusted Leverage. The facility agreement is for a period of five years. Drawings under the facility agreement are subject to a quarterly repayment profile. The bank loans are secured by floating charges over the assets of CMG Holdco Limited and its subsidiary companies.

On 10 December 2015, CMG Holdco Limited issued £1.5 million 12% Fixed Rate Notes due 2021 to the Company.

Principal risks and uncertainties

The directors have assessed the level of risk within the business and believe it to be similar to comparable UK based care and support organisations where robust working capital management and good purchaser relations are essential to the future well-being of the Group. The directors believe that the current controls and processes within the business are appropriate and adequate to achieve this position.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk and credit risk. The Board reviews and agrees the policies for managing each of these risks as follows:

- **Interest rate risk**

The Group finances its operations through a mixture of retained profit and long term loans. The Group borrows at both fixed and floating rates of interest. Interest rate projections are reviewed on a regular basis to determine whether future hedging may be required.

- **Liquidity risk**

The Group's policy throughout the period has been that committed facilities are maintained at levels to ensure all planned requirements are met.

- **Credit risk**

The Group's principal financial assets are cash and trade receivables. The Group invests significantly to retain and improve the quality of its service offering. Trade receivables are reviewed on a regular basis to ensure they are collectable. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows. Based on the nature of the business, there is no significant concentration of credit risk, with risk spread over many customers.

Strategic report *(continued)*

Going Concern

The directors have carefully considered the going concern basis underlying the preparation of the Group financial statements.

Recent trading activity across the Group has been in line with expectations. Referral levels have been maintained during the period and the quality of the services continued to improve which in turn lead to improved occupancy levels. This occupancy growth is expected to continue in the following year. The Group is cash generative and funds have been continued to be reinvested to increase capacity levels and drive growth.

Management have prepared detailed forecasts for the Group for the period to February 2018. Net debt levels, servicing costs and covenant requirements are closely monitored and managed according to strict management processes. Management have considered the expected availability of working capital and achievement of covenants required.

The directors believe that the Group and the Company are well placed to manage its risks successfully despite the current economic conditions which create uncertainty.

Based on their forecast review and other factors described above, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

Disabled employees

The Group gives full consideration to applications for employment from disabled persons where a handicapped or disabled person can adequately fulfil the requirements of the job. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

Employee involvement

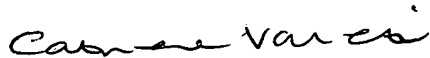
The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Group and the Company. During the period, the policy of providing employees with information about the Group has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the Group's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Strategic report *(continued)*

Supplier payment policy

The Group's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment. Trade creditors of the Group at 28 February 2015 were equivalent to 11 days' purchases (prior period: 11 days), based on the average daily amount invoiced by suppliers during the period.

Approved by the Board of Directors and signed by order of the Board on  January 2016.



Catherine Valenti
Company Secretary

The Care House
Randalls Way
Leatherhead
Surrey
KT22 7TP

Directors' report

Following the introduction of the strategic report under section 414A of the Companies Act 2006, the directors have disclosed the following information in the strategic report:

- Financial risk management policies;
- Going concern;
- Future developments and events since the balance sheet date;
- Employee consultation and disabled employee policies; and
- Supplier payment policy

Directors

The directors who served the Company during the period and since the period end were as follows:

Dr Chaitanya Patel

David Spruzen

Mrs Katharine Patel (appointed 1 December 2014)

Matters covered in the Strategic Report

Disclosures of strategic importance that would usually be contained in the Directors' Report are presented in the Strategic Report.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Kingston Smith LLP were appointed as auditor during the period. Kingston Smith LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed by order of the Board on 29 January 2016.



Catherine Valenti
Company Secretary

The Care House
Randalls Way
Leatherhead
Surrey
KT22 7TP

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, 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;
- 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 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.

Independent auditors' report to the directors of Court Cavendish Limited

We have audited the financial statements of Court Cavendish Limited for the fourteen months ended 28 February 2015 which comprise the Consolidated profit and loss account, the Consolidated statement of total recognised gains and losses, the Consolidated and company balance sheets, the Consolidated cash flow statement, the Statement of accounting policies and the related notes 1 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 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, 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 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 Practicing Board's (APB's) Ethical Standards for Auditors.

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 group's and the parent 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. In addition, we read all of the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify and information which is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 28 February 2015 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Independent auditors' report to the directors of Court Cavendish Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

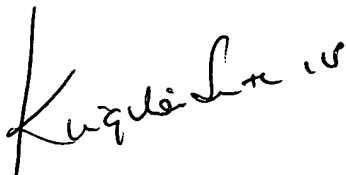
Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Other matter

The corresponding figures in the financial statements of Court Cavendish Limited are not audited as the company did not require a statutory audit under the Companies Act 2006 in the prior year.



Jonathan Sutcliffe FCA (Senior Statutory Auditor) for and on behalf of Kingston Smith LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

29 January 2016

Devonshire House
60 Goswell Road
London
EC1M 7AD

Consolidated profit and loss account for the fourteen months ended 28 February 2015

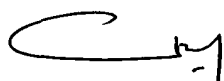
	Note	14 months to 28 Feb 2015 £000	Un-audited Year to 31 Dec 2013 £000
Turnover			
Existing operations		8,973	3,526
Acquisitions		39,727	-
Group turnover	2	48,700	3,526
Cost of sales		(22,502)	-
Gross profit		26,918	3,526
Administrative expenses		(14,306)	(1,318)
Operating profit			
Existing operations		6,299	2,208
Acquisitions		5,593	-
Group operating profit	3	11,892	2,208
Write back of provision against loan to associated undertaking		-	21
Profit on ordinary activities before interest and tax		11,892	2,229
Other interest receivable and similar income	7	44	150
Interest payable and similar charges	8	(3,498)	(380)
Profit on ordinary activities before taxation	3	8,438	1,999
Tax on profit on ordinary activities	9	(515)	(549)
Profit on ordinary activities after taxation		7,923	1,450
Equity minority interests		(1,165)	-
Profit for the financial period	22	6,758	1,450

The results for the period and the prior year derive from continuing activities.

Consolidated balance sheet as at 28 February 2015

	Note	28 Feb 2015 £000	28 Feb 2015 £000	Un-audited 31 Dec 2013 £000	Un-audited 31 Dec 2013 £000
Fixed assets					
Intangible assets	10		2,240		896
Tangible assets	12		103,379		2,022
Other investments	13		1,884		59
			107,503		2,977
Current assets					
Stocks	14	26		20	
Debtors due within one year	15	5,704		33	
Current asset investments	16	905		-	
Cash at bank and in hand		9,114		2,017	
Deferred tax asset	17	1,214		-	
		16,963		2,070	
Creditors: amounts falling due within one year	18	(15,229)		(1,562)	
Net current assets			1,734		508
Total assets less current liabilities			109,237		3,485
Creditors: amounts falling due after more than one year	19		(59,977)		-
Provisions for liabilities and charges	20		(896)		-
Net assets			48,364		3,485
Capital and reserves					
Called up share capital	21		278		250
Share premium account	22		515		-
Revaluation reserve	22		36,426		-
Profit and loss account	22		9,980		3,235
Shareholders' funds			47,199		3,485
Minority interests			1,165		-
Total capital employed			48,364		3,485

The financial statements of Court Cavendish Limited were approved by the board of directors and authorised for issue on 29 January 2016. They were signed on its behalf by:



Dr Chaitanya Patel
Director

Company balance sheet as at 28 February 2015

	Note	28 Feb 2015 £000	28 Feb 2015 £000	Un-audited 31 Dec 2013 £000	Un-audited 31 Dec 2013 £000
Fixed assets					
Investments in subsidiary undertakings	11		3,417		2,869
Tangible assets	12		16		22
Other investments	13		1,884		59
			<u>5,317</u>		<u>2,950</u>
Current assets					
Debtors	15	231		28	
Current asset investments	16	905		-	
Cash at bank and in hand		3,725		1,990	
		<u>4,861</u>		<u>2,018</u>	
Creditors: amounts falling due within one year	18	<u>(2,161)</u>		<u>(4,586)</u>	
Net current assets/(liabilities)			<u>2,700</u>		<u>(2,568)</u>
Total assets less current liabilities			<u>8,017</u>		<u>382</u>
Net assets			<u>8,017</u>		<u>382</u>
Capital and reserves					
Called up share capital	21		278		250
Share premium	22		515		-
Profit and loss account	22		7,224		132
Total shareholders' funds			<u>8,017</u>		<u>382</u>

The financial statements of Court Cavendish Limited were approved by the board of directors and authorised for issue on 29 January 2016. They were signed on its behalf by:



Dr Chaitanya Patel
Director

Consolidated cash flow statement for the fourteen months ended 28 February 2015

	Note	14 months to 28 Feb 2015 £000	Un-audited Year to 31 Dec 2013 £000
Net cash inflow from operating activities	23	10,983	2,191
Returns on investments and servicing of finance	25	(2,049)	(209)
Taxation	25	(1,320)	(546)
Capital expenditure and financial investment	25	(5,340)	(59)
Acquisitions and disposals	25	4,280	(946)
		<hr/>	<hr/>
Cash inflow before financing		6,554	431
Financing	25	543	-
		<hr/>	<hr/>
Increase in cash in the period		7,097	431
		<hr/>	<hr/>

Reconciliation of net cash flow to movement in net debt

	Note	14 months to 28 Feb 2015 £000	Un-audited Year to 31 Dec 2013 £000
Increase in cash in the period	24	7,097	431
		<hr/>	<hr/>
Change in net debt resulting from cash flows		7,097	431
Loans acquired with subsidiary undertakings	24	(58,578)	-
Interest capitalised	24	(806)	-
FRS4 finance charges	24	(593)	-
		<hr/>	<hr/>
Movement in net debt in the period		(52,880)	431
Net debt at the beginning of the financial period	24	2,017	1,586
		<hr/>	<hr/>
Net debt at the end of the financial period	24	(50,863)	2,017
		<hr/>	<hr/>

All cash flows arise from continuing operations.

Reconciliations of movements in shareholders' funds for the fourteen months ended 28 February 2015

	Group 14 months to 28 Feb 15 £000	Company 14 months to 28 Feb 15 £000	Un-audited Group Year to 31 Dec 13 £000	Un-audited Company Year to 31 Dec 13 £000
Profit for the financial period	6,758	7,092	1,450	49
Revaluation of fixed assets	36,426	-	-	-
Foreign exchange movements	(13)	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
New shares issued	43,171	7,092	1,450	49
	543	543	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net increase in shareholders' funds	43,714	7,635	1,450	49
Opening shareholders' funds	3,485	382	2,035	333
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' funds	47,199	8,017	3,485	382
	<hr/>	<hr/>	<hr/>	<hr/>

Consolidated statement of total recognised gains and losses for the fourteen months ended 28 February 2015

	14 months to 28 Feb 15 £000	Un-audited Year to 31 Dec 13 £000
Profit for the financial year	6,758	7,092
Unrealised surplus on revaluation of properties	36,426	-
Foreign exchange movements	(13)	-
	<hr/>	<hr/>
Total recognised gains and losses relating to the period	43,171	7,092
	<hr/>	<hr/>

Minority interests

for the fourteen months ended 28 February 2015

	£000
At 1 January 2014	-
Profit on ordinary activities after taxation	1,165
	<hr/>
Total recognised gains and losses relating to the period	1,165
	<hr/>

Notes to the financial statements

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets, and in accordance with applicable United Kingdom accounting standards.

Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 28 February in current financial period and to 31 December in the previous financial year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed. Acquisitions are accounted for under the acquisition method.

Going concern

The Group's business activities together with the factors likely to affect its future development, performance and position are set out in the Business Review which forms part of the Strategic Report. The Strategic Report also describes the financial position of the Group; its cash flows, liquidity position and borrowing facilities; the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposure to credit risk and liquidity risk.

The Group's forecasts and projections taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility.

The directors have a reasonable expectation that the Company and the Group have 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 annual financial statements.

Intangible assets - goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life which is 20 years. Provision is made for any impairment.

Negative goodwill is similarly included in the balance sheet and is credited to the profit and loss account in the periods in which the acquired non-monetary assets are recovered through depreciation or sale. Negative goodwill in excess of the fair values of the non-monetary assets acquired is credited to the profit and loss account in the periods expected to benefit.

On disposal or closure of a previously acquired business the attributable amount of goodwill previously written off to reserves is included in determining the profit or loss on disposal.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Freehold property	-	2% per annum on valuation on a straight line basis
Fixtures and fittings	-	15% per annum on cost on a reducing balance basis
Property improvements	-	5% per annum on cost on a straight line basis
Leasehold improvements	-	Shorter of the remaining lease term or 5% per annum on cost/valuation on a straight line basis

Residual value is calculated on prices prevailing at the date of acquisition or revaluation.

Revaluation of properties

Individual freehold and leasehold properties and related fixtures and fittings are revalued every year to fair value with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property or the reversal of such a deficit, is charged (or credited) to the profit and loss account. A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus.

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves. On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves.

Investments

Fixed assets investments are shown at cost less provision for impairment. Current asset investments are stated at the lower of cost and net realisable value.

Stocks

Stocks are stated at the lower of cost and net realisable value (based on selling price less further costs to disposal). Provision is made for obsolete, slow-moving or defective items where appropriate.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profit and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Taxation *(continued)*

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is not recognised when fixed assets are revalued unless by the balance sheet date there is a binding agreement to sell the revalued assets and the gain or loss expected to arise on sale has been recognised in the financial statements. Neither is deferred tax recognised when fixed assets are sold and it is more likely than not that the taxable gain will be rolled over, being charged to tax only if and when the replacement assets are sold.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Where payments are received from customers in advance of services provided, the amounts are recorded as Deferred Income and included as part of Creditors due within one year.

Pension costs

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans. The company has no further payment obligations once the contributions have been paid. The amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the period. Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Provisions for liabilities and charges

Provisions for liabilities and charges are recognised in accordance with FRS12, Provisions, Contingent Liabilities and Contingent Assets. The provision in the financial statements provides against onerous property leases.

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction or, if hedged, at the forward contract rate. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date or, if appropriate, at the forward contract rate.

The results of overseas operations are translated at the average rates of exchange during the period and their balance sheets at the rates ruling at the balance sheet date. Exchange differences arising on translation of the opening net assets and results of overseas operations are reported in reserves.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Bank borrowings

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

2 Segmental information

The Group is organised into the following business segments:

- Management services specialising in turnarounds of Social Care and Health Care organisations that support vulnerable people and are highly regulated
- Provision of residential care, domiciliary care and supported living services for people with learning disabilities and complex needs including mental health needs
- Luxury safari experiences to families, groups of friends and couples in the Madikwe Game Reserve in South Africa

The Group also has a central office, which carries out administrative and management activities.

Notes to the financial statements *(continued)*

2 Segmental information *(continued)*

Turnover by class of business

	14 months to 28 Feb 15 £000	<i>Un-audited</i> Year to 31 Dec 13 £000
Total Sales		
Management Services	8,971	3,526
Care Services	39,727	-
Luxury safari experiences	388	-
	<hr/> 49,086 <hr/>	<hr/> 3,526 <hr/>
Inter-segment sales		
Management Services	(386)	-
	<hr/>	<hr/>
Sales to third parties		
Management Services	8,585	3,526
Care Services	39,727	-
Luxury safari experiences	388	-
	<hr/> 48,700 <hr/>	<hr/> 3,526 <hr/>

Turnover by geographical segments

	14 months to 28 Feb 15 £000	<i>Un-audited</i> Year to 31 Dec 13 £000
United Kingdom	45,584	3,526
Rest of Europe	143	-
North America	2,877	-
South Africa	59	-
Rest of the World	37	-
	<hr/> 48,700 <hr/>	<hr/> 3,526 <hr/>

Notes to the financial statements *(continued)*

2 Segmental information *(continued)*

Profit before tax	14 months to 28 Feb 15 £000	Un-audited Year to 31 Dec 13 £000
Management Services	6,428	2,208
Care Services	5,593	-
Luxury safari experiences	(129)	-
	<hr/>	<hr/>
Group operating profit	11,892	2,208
Write back of provision against loan to associated undertaking	-	21
Other interest receivable and similar income	44	150
Interest payable and similar charges	(3,498)	(380)
	<hr/>	<hr/>
Profit on ordinary activities before taxation	8,438	1,999
	<hr/>	<hr/>

Of the Group's profit before tax, £12,021,000 (*prior year: £2,208,000*) arose in the United Kingdom and a loss of £129,000 arose in South Africa (*prior year: £nil*).

Net assets	Feb 15 £000	Un-audited Dec 13 £000
Management Services	1,935	(1,373)
Care Services	93,242	-
Luxury safari experiences	1,810	1,945
	<hr/>	<hr/>
Net operating assets before net debt and goodwill	96,987	572
Net debt	(50,863)	2,017
Goodwill	2,240	896
	<hr/>	<hr/>
Net assets	48,364	3,485
	<hr/>	<hr/>

Note:

(1) Goodwill relates to the following segments:

	Feb 15 £000	Dec 13 £000
Care Services	1,396	-
Luxury safari experiences	844	896
	<hr/>	<hr/>
	2,240	896
	<hr/>	<hr/>

Notes to the financial statements *(continued)*

3 Profit on ordinary activities before taxation

	14 months to 28 Feb 15 £000	Un-audited Year to 31 Dec 13 £000
Profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration:		
Group	14	-
Company	4	-
Depreciation and other amounts written off tangible fixed assets:		
Owned	1,693	6
Leased	168	-
Amortisation of goodwill	85	-
Rentals under operating leases:		
Hire of plant and machinery	1,753	-
Other operating leases	620	-
	<u> </u>	<u> </u>

One off exceptional legal and professional fees of £666,000 (*prior year: £nil*) were incurred during the period in relation to a corporate finance project.

4 Remuneration of directors

The Directors' aggregate emoluments in respect of qualifying services were as follows:

	14 months to 28 Feb 15 £000	Un-audited Year to 31 Dec 13 £000
Aggregate emoluments	1,929	777
Company contributions to money purchase pension schemes	43	-
	<u> </u>	<u> </u>

The emoluments of the highest paid director were £1,666,000 (*prior year: £768,000*) and company pension contributions of £13,000 (*prior year: £nil*) were made to a money purchase scheme on their behalf.

Retirement benefits are accruing to two (*prior year: two*) directors of the company under money purchase schemes.

Notes to the financial statements *(continued)*

5 Staff numbers and costs

The average number of persons employed by the group (including directors) during the period, analysed by activity, was as follows:

	Number of employees	
	14 months to	<i>Un-audited</i>
	28 Feb 15	Year to
		31 Dec 13
Management Services	8	8
Care Services	1,409	-
Luxury safari experiences	11	-
	<hr/>	<hr/>
	1,428	8
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	14 months to	<i>Un-audited</i>
	28 Feb 15	Year to
	£000	31 Dec 13
		£000
Wages and salaries	23,503	1,086
Social security costs	1,839	143
Other pension costs	203	10
	<hr/>	<hr/>
	25,545	1,239
	<hr/>	<hr/>

The Company had three employees during the current period (*prior year: three*).

6 Pension commitments

For defined contribution plans, the Group pays contributions to publicly or privately administered pension insurance plans. The company has no further payment obligations once the contributions have been paid. The group's pension costs for the period was £203,000 (*prior year: £10,000*). The outstanding contributions as at 28 February 2015 were £nil (*31 December 2013: £nil*).

7 Other interest receivable and similar income

	14 months to	<i>Un-audited</i>
	28 Feb 15	Year to
	£000	31 Dec 13
		£000
On bank deposits	44	2
Interest receivable on loan notes from associates	-	148
	<hr/>	<hr/>
On bank deposits	44	150
	<hr/>	<hr/>

Notes to the financial statements *(continued)*

8 Interest payable and similar charges

	14 months to 28 Feb 15 £000	Un-audited Year to 31 Dec 13 £000
On bank loans and overdrafts	2,905	-
Amortisation of loan issue costs	593	-
Foreign exchange losses	-	376
Interest on late payment of corporation tax	-	4
	<u>3,498</u>	<u>380</u>

9 Tax on loss on ordinary activities

	14 months to 28 Feb 15 £000	Un-audited Year to 31 Dec 13 £000
Analysis of charge in the year		
<i>Current taxation</i>		
UK corporation tax on profit in the year	1,730	549
	<u>1,730</u>	<u>549</u>
Total current tax	1,730	549
Deferred tax (note 17)	(1,215)	-
	<u>515</u>	<u>549</u>
Tax on profit on ordinary activities		

	14 months to 28 Feb 15 £000	Un-audited Year to 31 Dec 13 £000
Factors affecting current tax charge for the period		
Profit on ordinary activities before tax	8,438	1,999
	<u>1,808</u>	<u>465</u>
At standard rate of 21.43% (prior year: 23.25%)		
<i>Effects of:</i>		
Expenses not deductible for tax purposes	541	2
Income not taxable for tax purposes	(198)	-
Differences between capital allowances and depreciation	(401)	1
Short term timing differences	(20)	-
Write back of provision against loans to associated undertakings	-	(5)
Losses on non-qualifying assets	-	87
Adjustment for marginal relief for small companies	-	(1)
	<u>1,730</u>	<u>549</u>
Total current tax		

Notes to the financial statements *(continued)*

10 Intangible assets

Group	Positive goodwill £000	Negative goodwill £000	Total £000
<i>Cost</i>			
At 1 January 2014	896	-	896
Acquisition of subsidiary undertakings	2,130	(701)	1,429
	<hr/>	<hr/>	<hr/>
At 28 February 2015	3,026	(701)	2,325
	<hr/>	<hr/>	<hr/>
<i>Amortisation</i>			
At 1 January 2014	-	-	-
Charge for the period	111	(26)	85
	<hr/>	<hr/>	<hr/>
At 28 February 2015	111	(26)	85
	<hr/>	<hr/>	<hr/>
Net book value			
At 28 February 2015	2,915	(675)	2,240
	<hr/>	<hr/>	<hr/>
At 31 December 2013	896	-	896
	<hr/>	<hr/>	<hr/>

Notes to the financial statements *(continued)*

11 Investments in subsidiary undertakings

Company	£000
Cost	
At 1 January 2014	2,869
Additions	548
	<hr/>
At 28 February 2015	3,417
	<hr/>
Provisions	
At 1 January 2014 and 28 February 2015	-
	<hr/>
Net book value	
At 28 February 2015	3,417
	<hr/>
At 31 December 2013	2,869
	<hr/>

The subsidiary undertakings in which the company's direct interests at the period end are more than 20% are as follows:

	Principal activities	Class and percentage of share held
Court Cavendish Healthcare Management Services Limited *	Provision of management and consulting services	100% ordinary
Angarha Experience (Pty) Ltd *	Luxury safari experiences	75% ordinary
CMG Holdco Limited *	Holding Company	60.83% ordinary
Care Management Group (Acquisition) Limited	Holding Company	100% ordinary
Care Management Group (UK) Limited	Dormant Company	100% ordinary
Care Management Group (Holdings) Limited	Dormant Company	100% ordinary
Care Management Group Limited	Running Care Homes	100% ordinary
Care Management Group (Southern) Limited	Dormant Company	100% ordinary
CMG Homes Limited	Agency services for Parent Company	100% ordinary
Care Management Group (Cymru) Limited	Running Care Homes	100% ordinary
CMG (Domiciliary Care Investments) Limited	Intermediate Holding Company	100% ordinary
Blocklin House Limited	Dormant Company	100% ordinary
Care Management Group Trustees Limited	Dormant Company	100% ordinary
Victoria House (UK) Limited	Dormant Company	100% ordinary
Wherewelve Limited	Dormant Company	100% ordinary
Wherewelve Care Group Limited	Dormant Company	100% ordinary
Solent Residential Homes Limited	Dormant Company	100% ordinary
Pathways (Trebanos) Limited	Dormant Company	100% ordinary
Care & Company Limited	Dormant Company	100% ordinary

Notes to the financial statements *(continued)*

11 Investments in subsidiary undertakings *(continued)*

	Principal activities	Class and percentage of share held
Belgravia Nursing & Care Bureau Limited	Dormant Company	100% ordinary
Care Your Way Limited	Domiciliary Care Services	100% ordinary
Rainbow Care Limited	Dormant Company	100% ordinary
Eve Personal Homecare Limited	Dormant Company	100% ordinary
Starr Care Limited	Dormant Company	100% ordinary
Convivium Care Limited	Dormant Company	100% ordinary

* interests held directly by the company.

Court Cavendish Limited holds the entire issued share capital and voting rights of Court Cavendish Health Management Services Limited, 75% of Angarha Experience (Pty) Limited and 60.83% of CMG HoldCo Limited

CMG Holdco Limited holds the entire issued share capital and voting rights of Care Management Group (Acquisition) Limited.

Care Management Group (Acquisition) Limited holds the entire issued share capital and voting rights of Care Management Group (UK) Limited.

Care Management Group (UK) Limited holds the entire issued share capital and voting rights of Care Management Group (Holdings) Limited and Care Management Group Trustees Limited.

Care Management Group (Holdings) Limited holds the entire issued share capital of Care Management Group Limited, which in turn holds the entire issued share capital of Care Management Group (Southern) Limited, CMG Homes Limited, Care Management Group (Cymru) Limited, CMG (Domiciliary Care Investments) Limited, Victoria House (UK) Limited, Wherewelve Limited, Wherewelve Care Group Limited, Solent Residential Homes Limited, Pathways (Trebanos) Limited and Belgravia Nursing & Care Bureau Limited.

CMG (Domiciliary Care Investments) Limited holds the entire issued share capital of Blocklin House Limited, Care Your Way Limited, Care & Company Limited, Rainbow Care Limited, Eve Personal Homecare Limited, Starr Care Limited and Convivium Care Limited.

All subsidiary undertakings are registered in England and Wales with the following exception of Angarha Experience (Pty) Limited which is registered in South Africa. All companies are included in the consolidated financial statements.

Notes to the financial statements *(continued)*

12 Tangible assets

Group	Freehold Property £000	Property Improve- ments £000	Leasehold Improve- ments £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 January 2014	2,052	-	-	54	2,106
Exchange adjustment	(14)	-	-	1	(13)
Businesses acquired	49,458	7,895	3,752	3,090	64,195
Additions	810	965	155	680	2,610
Revaluation	32,630	-	2,832	964	36,426
At 28 February 2015	84,936	8,860	6,739	4,789	105,324
Accumulated depreciation					
At 1 January 2014	30	-	-	54	84
Charge for the period	905	347	168	441	1,861
At 28 February 2015	935	347	168	495	1,945
Net book value					
At 28 February 2015	84,001	8,513	6,517	4,294	103,379
At 31 December 2013	2,022	-	-	-	2,022

On 25 March 2015, Christie and co (independent RICS qualified valuers and part of the Christie Group Plc) used the Royal Institution of Chartered Surveyors ('RICS') Appraisal and Valuation Manual (the 'Red Book') to value the property portfolio of CMG Holdco Limited and its subsidiary undertakings (on an aggregate individual basis) of the group at £100.5m.

This figure has there been adopted in the Balance Sheet as the fair value of the property portfolio of the Group in accordance with FRS15 Tangible Fixed Assets.

Christie and Co valued the entire portfolio of CMG Holdco Limited and its subsidiary undertakings, if sold in a single transaction, (on an existing freehold and leasehold use basis) at £131m.

Notes to the financial statements *(continued)*

12 Tangible assets *(continued)*

Company	Land and buildings £000	Fixtures and fittings £000	Total £000
Cost			
At 1 January 2014 and 28 February 2015	52	54	106
Accumulated depreciation			
At 1 January 2014	30	54	84
Charge for the period	6	-	6
At 28 February 2015	36	54	90
Net book value			
At 28 February 2015	16	-	16
At 31 December 2013	22	-	22

Notes to the financial statements *(continued)*

13 Other investments

Group and Company	Feb 15 £000	Un-audited Dec 13 £000
Capital contribution in FC Skyfall Investors Parent LLC	1,825	-
Shares in Jazz F M Investments Limited	59	59
	<u>1,884</u>	<u>59</u>

The Company has a 10.7% share in the members' capital of FC Skyfall Investors Parent LLC (a Delaware Limited Liability Company),

The Company has a 2.3% interest in the ordinary share capital of Jazz FM Investments Limited, a company registered in England and Wales.

14 Stocks

Group	Feb 15 £000	Un-audited Dec 13 £000
Consumable supplies	26	20

15 Debtors

	Group Feb 15 £000	Company Feb 15 £000	Un-audited Group Dec 13 £000	Un-audited Company Dec 13 £000
<i>Due within one year</i>				
Trade debtors	2,975	-	2	15
Other debtors	672	1	18	-
Prepayments and accrued income	2,057	230	13	13
	<u>5,704</u>	<u>231</u>	<u>33</u>	<u>28</u>

Notes to the financial statements *(continued)*

16 Current asset investments

	Group Feb 15 £000	Company Feb 15 £000	<i>Un-audited Group Dec 13 £000</i>	<i>Un-audited Company Dec 13 £000</i>
Asset held for sale	905	905	-	-

17 Deferred tax asset

Group				£000
At 1 January 2014				-
Credited to the Profit and loss account				(1,214)
At 28 February 2015				(1,214)
			Feb 15 £000	<i>Un-audited Dec 13 £000</i>
Accelerated capital allowances			491	-
Other short term timing differences			723	-
			1,214	-

18 Creditors: amounts falling due within one year

	Group Feb 15 £000	Company Feb 15 £000	<i>Un-audited Group Dec 13 £000</i>	<i>Un-audited Company Dec 13 £000</i>
Trade creditors	254	8	41	1
Amounts due to group undertakings	-	1,525	-	4,392
Corporation tax payable	905	578	402	124
Other taxes and social security	550	24	482	26
Other creditors	3,186	-	9	9
Accruals and deferred income	10,334	26	628	34
	15,229	2,161	1,562	4,586

Notes to the financial statements *(continued)*

19 Creditors: amounts falling due after more than one year

	Group Feb 15 £000	Company Feb 15 £000	Un-audited Group Dec 13 £000	Un-audited Company Dec 13 £000
Bank loans	59,977	-	-	-
Analysis of debt:				
	Group Feb 15 £000	Company Feb 15 £000	Un-audited Group Dec 13 £000	Un-audited Company Dec 13 £000
Debt can be analysed as falling due:				
More than one year but not more than two years	61,304	-	-	-
Un-amortised issue costs	(1,327)	-	-	-
	59,977	-	-	-

Interest charged on the bank loans is at rates between 4% and 14% over base rate per annum. The bank loans are secured by floating charges over the assets of CMG Holdco Limited and its subsidiary companies.

20 Provisions for liabilities and charges

Provision for onerous leases	£'000
At 1 January 2014	-
Acquisition of subsidiary undertaking	1,056
Utilised in the period	(160)
At 28 February 2015	896

Notes to the financial statements *(continued)*

21 Called up share capital

	Number of shares	Feb 2015 £000	Un-audited Number of shares	Un-audited Dec 2013 £000
Allotted, called up and fully paid				
Ordinary shares of £1 each	277,778	278	250,000	250

The ordinary shares carry one vote per share. Each share is entitled *pari-passu* to dividend payments or any other distributions. Each share is entitled *pari-passu* to participate in a distribution arising from a winding up of the company. Each share is non-redeemable.

During the period, the Company allotted 27,778 ordinary shares with a nominal value of £27,778 at a premium of £18.55 per share in connection with the acquisition of CMG Holdco Limited.

22 Reserves

Group	Share premium £000	Revaluation reserve £000	Profit and Loss account £000	Total £000
At 1 January 2014	-	-	3,235	3,325
Shares issued	515	-	-	515
Revaluation of properties	-	36,426	-	36,426
Profit for the financial period	-	-	6,758	6,758
Foreign exchange movements	-	-	(13)	(13)
At 28 February 2015	515	36,426	9,980	46,921

Company	Share premium £000	Profit and Loss account £000	Total £000
At 1 January 2014	-	132	132
Shares issued	515	-	515
Profit for the financial period	-	7,092	7,092
At 28 February 2015	515	7,224	7,739

The company's profit for the financial period was £7,092,000 (*Prior period: £49,000*). The company received a dividend of £5,000,000 (*prior year: £nil*) from Court Cavendish Management Services Limited (a wholly owned subsidiary undertaking)

Notes to the financial statements *(continued)*

23 Reconciliation of operating profit to operating cash flows

	14 months to 28 Feb 15 £000	Un-audited Year to 31 Dec 13 £000
Operating profit	11,892	2,208
Depreciation	1,861	6
Amortisation of goodwill	85	-
Decrease/(increase) in stocks	(6)	-
Decrease/(increase) in debtors	(3,173)	(16)
Increase in creditors	324	(7)
Net cash inflow from operating activities	10,983	2,191

Net cash inflow from operating activities of £11.9 million (*prior year: £2.2 million*) is after cash outflows of £666,000 (*prior year: £nil*) in relation to operating exceptional items (see note 3 for details).

24 Analysis of net debt

	At 1 Jan 2014 £000	Cash flow £000	Acquisitions and disposals * £000	Capitalised interest £000	Amortised debt issue costs £000	At 28 Feb 2015 £000
Cash in hand, at bank	2,017	7,097	-	-	-	9,114
Bank debts	-	-	(58,578)	(806)	(593)	(59,977)
	<u>2,017</u>	<u>7,097</u>	<u>(58,578)</u>	<u>(806)</u>	<u>(593)</u>	<u>(50,863)</u>

* Excluding cash in hand, at bank

Notes to the financial statements *(continued)*

25 Analysis of cash flows

	14 months to 28 Feb 15 £000	Un-audited Year to 31 Dec 13 £000
Returns on investment and servicing of finance		
Amount received from associate in administration	21	-
Interest received	44	150
Interest paid	(2,093)	(380)
	<u>(2,049)</u>	<u>(209)</u>
Financing		
Corporation tax paid	(1,320)	(546)
	<u>(1,320)</u>	<u>(546)</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(2,610)	-
Purchase of other investments	(1,825)	(59)
Purchase of current asset investments	(905)	-
	<u>(5,340)</u>	<u>(59)</u>
Acquisitions and disposals		
Purchase of subsidiary undertakings	(2,230)	(973)
Cash acquired with subsidiary undertakings	6,610	27
	<u>4,280</u>	<u>(946)</u>
Financing		
Issue of ordinary share capital	543	-
	<u>543</u>	<u>-</u>

26 Acquisition of businesses

As required under FRS 7 "Fair values in acquisition accounting", a process to update the provisional fair value of the net liabilities acquired will be undertaken in the periods ended 31 December 2014 and 28 February 2015. Accordingly, the fair values of the separable net assets acquired are provisional and are subject to amendment.

a) Acquisition of CMG Holdco Limited

On 30 May 2014, the company acquired 60.83% (42,063 Ordinary Shares of £0.01 each) of the capital of CMG Holdco Limited for a consideration of £548,000. The consideration was satisfied by the allotment and issue of 27,778 Ordinary shares of £1.00 each in the capital of the Company, credited as fully paid and cash of £5,000.

Notes to the financial statements *(continued)*

26 Acquisition of businesses *(continued)*

The acquisition has been accounted for using the acquisition method of accounting. The amount of negative goodwill arising as a result of the acquisition was £684,000.

In its last financial period from 19 September 2013 to 28 February 2014, CMG Holdco Limited and its subsidiary companies made a profit after tax of £797,000. For the period since that date to the date of acquisition, the management accounts of CMG Holdco Limited and its subsidiary company show:

	Period from £'000
Turnover	13,128
Profit on ordinary activities before interest and tax	1,451
Profit before taxation	507
Taxation	(74)
Profit for the period	434

No adjustments were made to the book value of the assets and liabilities acquired to arrive at the fair values at the date of acquisition.

	Fair value to the Group £'000
Intangible assets	434
Tangible assets	64,178
Debtors	2,348
Cash	6,517
Creditors	(12,611)
Borrowings	(58,578)
Provisions	(1,056)
Negative goodwill	1,232 (684)
Consideration	548
Satisfied by:	
Shares issued	543
Cash	5

Notes to the financial statements *(continued)*

26 Acquisition of businesses *(continued)*

b) Acquisition of trade and assets of Share & Care Limited

The trade and assets acquisition of Share & Care Limited was completed on 8 August 2014. The fair value of the total consideration was £445,000

	£'000
Cash consideration	430
Acquisition costs	15
	<hr/>
Total consideration	445
Provisional fair value of net assets acquired	-
	<hr/>
Goodwill	445
	<hr/> <hr/>

Net cash outflow as a result of the acquisition comprised:

Consideration	445
Cash at bank and in hand acquired	-
	<hr/>
	445
	<hr/> <hr/>

c) Acquisition of Starr Care Limited

The acquisition of Starr Care Limited was completed on 3 September 2014. The fair value of the total consideration was £574,000.

	£'000
Cash consideration	543
Acquisition costs	31
	<hr/>
Total consideration	574
Provisional fair value of net assets acquired	(108)
	<hr/>
Goodwill	466
	<hr/> <hr/>

The provisional fair value and book value of net assets acquired are as follows:

	Book and fair value £'000
Debtors	127
Creditors	(19)
	<hr/>
	108
	<hr/> <hr/>

Notes to the financial statements *(continued)*

26 Acquisition of businesses *(continued)*

Net cash outflow as a result of the acquisition comprised:

Consideration	574
Cash at bank and in hand acquired	-
	<hr/> 574 <hr/>

d) Acquisition of the trade and assets of Domiciliary Care Providers Limited

The trade and asset acquisition of Domiciliary Care Providers Limited was completed on 14 October 2014. The fair value of the total consideration was £262,000.

	£'000
Cash consideration	234
Acquisition costs	28
	<hr/>
Total consideration	262
Provisional fair value of net assets acquired	-
	<hr/>
Goodwill	262
	<hr/> <hr/>

Net cash outflow as a result of the acquisition comprised:

Consideration	262
Cash at bank and in hand acquired	-
	<hr/>
	262
	<hr/> <hr/>

e) Acquisition of Convivium Care Limited

The acquisition of Convivium Care Limited was completed on 17 November 2014. The fair value of the total consideration was £459,000.

	£'000
Cash consideration	440
Acquisition costs	19
	<hr/>
Total consideration	459
Provisional fair value of net assets acquired	(96)
	<hr/>
Goodwill	363
	<hr/> <hr/>

Notes to the financial statements *(continued)*

26 Acquisition of businesses *(continued)*

The provisional fair value and book value of net assets acquired are as follows:

	Book and fair value £'000
Debtors	23
Cash	93
Creditors	(20)
	<hr/> 96 <hr/>

Net cash outflow as a result of the acquisition comprised:

Consideration	459
Cash at bank and in hand acquired	(93)
	<hr/> 366 <hr/>

f) Acquisition of the trade and assets of Jem Care Limited

The trade and asset acquisition of Jem Care Limited was completed on 13 February 2015. The fair value of the total consideration was £15,000.

	£'000
Cash consideration	15
Acquisition costs	-
	<hr/>
Total consideration	15
Provisional fair value of net assets acquired	-
	<hr/>
Goodwill	15 <hr/>

Net cash outflow as a result of the acquisition comprised:

Consideration	15
Cash at bank and in hand acquired	-
	<hr/> 15 <hr/>

Notes to the financial statements *(continued)*

27 Contingent liabilities

There are contingent liabilities in respect of legal or potential claims arising in the ordinary course of business, the outcome of which cannot at present be foreseen. Appropriate provision has been made in these accounts for all liabilities that are, in the opinion of the Directors, likely to materialise.

Guarantees

CMG Holdco Limited (a subsidiary company) is party to cross guarantees for the bank debts due on all companies within the CMG Holdco Group. Total amounts due as at 28 February 2015 amounted to £61,303,000 (*prior year: £ nil*).

At the year end, CMG Holdco Limited had pledged financial support to Care Management Group (UK) Limited.

28 Commitments

Annual commitments under non-cancellable operating leases are as follows:

	As at 28 Feb 2015		As at 31 Dec 2013	
	Group £000	Company £000	Group £000	Company £000
Group				
Operating leases which expire:				
Over five years	1,761	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

29 Related party disclosures

The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the Court Cavendish Limited Group

The Company acquired 60.83% (42,063 Ordinary Shares of £0.01 each) of the capital of CMG Holdco Limited for a consideration of £548,000. The consideration was satisfied by the allotment and issue of 27,778 Ordinary shares of £1.00 each in the capital of the Company, credited as fully paid and cash of £5,000. The 60.83% interest was purchased from Helm Trust Company Limited, the trustee company for Dr CB Patel's family trust.

During the prior year, the company entered into agreements to purchase loan notes in Angarha Experience (Pty) Ltd which were held by Dr CB Patel and Helm Trust Company. Angarha Experience (Pty) Ltd was a company registered in South Africa which is wholly owned by Dr CB Patel. The consideration payable for the purchase of the loan notes was £1,200,000. Interest on the loan notes was charged at South African prime rate plus 2% per annum. On 31 December 2013, Angarha Experience (Pty) Ltd allotted three shares to Court Cavendish Limited in exchange for the amount of loan notes outstanding at that date. This resulted in Court Cavendish owning 75% of the issued share capital of Angarha Experience (Pty) Ltd. In the prior year, interest receivable included £148,000 from Angarha Experience (Pty) Ltd in respect of the loan notes.

The company purchased 88,573 ordinary shares in Jazz FM Investment Limited from Dr CB Patel for a consideration of £8,857 plus stamp duty of £45.

Notes to the financial statements *(continued)*

29 Related party disclosures *(continued)*

Turnover includes consultancy fees charged to Care Management Group Limited during the year (prior to the acquisition of CMG Holdco Limited) of £298,000 (*prior year: £483,000*). Care Management Group Limited is a trading subsidiary of CMG Holdco Limited in which DA Spruzen have significant interests. Dr CB Patel and DA Spruzen are directors of CMG Holdco Limited. There were no amounts due to or from Care Management Group Limited at 28 February 2015 (*31 December 2013: £nil*).

Dr CB Patel is a director of both CMG Holdco Limited and HC-One Limited. During the current year, transactions between CMG Holdco Limited and its subsidiaries and HC-One Limited totalled £117,000. At 28 February the balance due from HC-One was £nil.

Dr CB Patel is also a director of NHP Securities No. 3 Limited and NHP Securities No. 5 Limited. During the current period, transactions between CMG Holdco Limited, NHP Securities No. 3 Limited and NHP Securities No. 5 Limited totalled £789,000.

Dr CB Patel's family trust has a 10.7% share in the members' capital of FC Skyfall Investors Parent LLC (a Delaware Limited Liability Company). During the period, transaction and asset management fees of £2,536,000 (*prior year: £nil*) were charged to FC Skyfall Holdings SPV Ltd (a wholly owned subsidiary of FC Skyfall Investors Parent LLC which is incorporated in the Cayman Islands). As at 28 February 2015, transaction and asset management fees of £229,000 (*31 December 2013: £nil*) were due from FC Skyfall Holdings SPV – this amount has been disclosed in prepayments and accrued income.

30 Ultimate controlling party

The company was under the control of Dr CB Patel throughout the current period and the prior year by virtue of his 90% (*prior year 100%*) interest in the issued share capital of the company.

31 Post balance sheet events

On 9 March 2015, Care Management Group Limited purchased the trade and assets of Glyn Residential Limited for a consideration of £1.4 million.

On 11 March 2015, Care Management Group Limited purchased the trade and assets of Heathdene for a consideration of £0.6 million.

On 23 May 2015, Care Management Group Limited purchased the share capital of Farisean Limited for a consideration of £2.8 million.

On 12 January 2015, Care Management Group Limited purchased the share capital of Alderwood LLA Limited for a consideration of £7.9 million.

On 10 December 2015, CMG Holdco Limited entered into a new banking facility agreement with AIB Group (UK) p.l.c., The Royal Bank of Scotland plc and Santander UK plc. The total commitments under the facility agreement amounted to £92 million of which £68 million has been drawn down. The funds were used to repay the existing bank debt of CMG Holdco Limited Group and to pay for the associated fees of the re-financing. Interest rates are set at a rate per annum of 2.5% to 3.5% over LIBOR depending on the Adjusted Leverage. The facility agreement is for a period of five years. Drawings under the facility agreement are subject to a quarterly repayment profile. The bank loans are secured by floating charges over the assets of CMG Holdco Limited and its subsidiary companies.

On 10 December 2015, CMG Holdco Limited issued £1.5 million 12% Fixed Rate Notes due 2021 to the Company.