Healthcare Properties (Oxford) Limited

Directors' report and financial statements

Registered number 4556634

For the 18 month period ended 30 June 2013

Directors and Advisors

Directors	Mr David Manson Mr Ted Smith
Company Number	4556634
Registered Office	Two Parklands Business Park Great Park Rubery Birmingham B45 9PZ
Auditors	KPMG LLP One Snow Hill Snow Hill Queensway Birmingham B4 6GH United Kingdom

Contents

Directors' report

The directors present their report and financial statements for the period ended 30 June 2013

Change of accounting reference date

The company has changed its accounting reference date from 31 December to 30 June

Change in ownership

On 24th July 2012, the company was purchased by Esquire Realty Holdings Limited, along with four property companies and 3 other dormant companies

Principal activities and review of the business

The principal activity of the company is that of property rental to other group companies

Change of ownership

In July 2012, the Directors of Esquire Consolidated Group Limited ('Old Group') of which the Company is a 100% owned subsidiary entered into a new Facilities Agreement with its Senior Lenders the aim of which was to put the Group on a secure five year platform However the external bank debt remained significant and subsequently the directors of the Group entered into negotiations around a debt restructuring with its senior lenders

On 16 April 2014, Embrace Group Limited ('New Group') a company whose significant shareholders are Varde Partners and D E Shaw & Co, acquired certain of the subsidiaries of European Care & Lifestyles (UK) Limited and Esquire Realty Holdings Limited This transaction was made with a view to maintaining substantially all of the operations of Old Group, but in the context of a new ownership structure with a smaller overall debt obligation for New Group At 30 June 2013 the Old Group's external debt was £317 5 million The companies that were acquired by Embrace Group Limited have total shareholder loan notes of £79 6 million and equity of £0 5 million As part of the transaction additional cash of £5 million has been injected into the New Group, securing its long term future and meaning we can commit to investing in our business for the benefit of the people we support

This process has also led to the simplification of the Group's structure The current management team inherited a corporate structure whereby the ultimate parent company and a number of the Group's subsidiaries have been domiciled in Guernsey or the British Virgin Islands From April 2014 these companies will be domiciled in the UK for Corporation Tax purposes These subsidiaries had previously been subject to UK income tax under HMRC's Non-resident landlord scheme

The Group's management team (which has remained in place following the acquisition noted above) has been developing a new brand that is more fitting of the Group's ethos and values From 17 April 2014 the group has been operating under the name of Embrace Our new brand has been developed in conjunction with key stakeholders including people we support, relatives, staff and commissioners

Results and dividends

The results for the period are set out on page 6

The directors do not recommend payment of an ordinary dividend

Directors

The following directors have held office during the period

Mr David Manson	(appointed 25 July 2012)
Mr Ted Smith	(appointed 25 July 2012)
Mr A Horwood	(resigned 25 July 2012)
Mr R Beney	(resigned 25 July 2012)

Directors' report *(continued)*

Secretary

The secretary of the Company, Mrs Katharine Kandelaki, who replaced Mr R Borg on 25 July 2012, resigned on 6 September 2013 The Company has not appointed a new secretary

Statement of disclosure to auditor

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

Auditor

On 3 April 2014, KPMG LLP were appointed as auditor

Pursuant to Section 485 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office

Preparation of accounts on Going Concern basis

The Directors have considered the appropriateness of the going concern for the preparation of the financial statements in note 1

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006

By order of the board

Mr David Manson
Director

Two Parklands Business Park
Great Park
Rubery
Birmingham
B45 9PZ
30 April 2014

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice)

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

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

The directors are responsible for keeping proper 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 its financial statements comply with the Companies Act 2006 They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities

Independent auditor's report to the members of Healthcare Properties (Oxford) Limited

We have audited the financial statements of Healthcare Properties (Oxford) Limited for the period ended 30 June 2013 set out on pages 6 to 17 The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Framework for Smaller Entities (Effective April 2008) (UK Generally Accepted Accounting Practice applicable to Smaller Entities)

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of directors and auditor

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www frc org uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 June 2013 and of its loss for the period then ended,
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice applicable to smaller entities, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Independent auditor's report to the members of Healthcare Properties (Oxford) Limited *(continued)*

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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, 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, or
- the directors were not entitled to prepare the financial statements and the directors' report in accordance with the small companies regime

S. Smith

Stuart Smith (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH
United Kingdom

30 April 2014

Profit and loss account
for the period ended 30 June 2013

	Note	Period ended 30 June 2013 Pre-Exceptional £'000	Period ended 30 June 2013 Exceptionals £'000	Period ended 30 June 2013 Total £'000	Year ended 31 December 2011 £'000
Turnover	2	2,724	-	2,724	2,424
Administrative expenses		(1,171)	(20,058)	(21,229)	(224)
Administrative expenses		*(1,171)*	-	(1,171)	(224)
Release of amounts due to former related party		-	*377*	377	-
Amounts written off fixed assets		-	*(20,435)*	(20,435)	-
Operating profit/(loss)	3	1,553	(20,058)	(18,505)	2,200
Interest receivable & similar income	4	401	-	401	526
Net finance charges & interest	5	(2,922)	(313)	(3,235)	(981)
(Loss) / profit on ordinary activities before taxation		(968)	(20,371)	(21,339)	1,745
Taxation on (loss)/profit on ordinary activities	6	-	2,965	2,965	(194)
(Loss)/profit for the financial period	15	(968)	(17,406)	(18,374)	1,551

There are no differences between the profit on ordinary activities before taxation and the retained profit for the period as stated above and their historical cost equivalents

The profit and loss account has been prepared on the basis that all operations are continuing operations

Statement of total recognised gains and losses
for the period ended 30 June 2013

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
(Loss) / profit for the financial period	(18,374)	1 551
Movement in unrealised surplus on revaluation of properties	(3,241)	(5,845)
Total recognised gains and losses relating to the period	(21,615)	(4,294)

Balance Sheet
at 30 June 2013

	Note	30 June 2013		31 December 2011	
		£'000	£'000	£'000	£'000
Fixed assets					
Tangible fixed assets	7		15,262		30,745
Investments	8		1,089		1 464
Assets under the course of construction	7		-		4,950
Negative goodwill	9		-		(40)
			16,351		37,119
Current assets					
Debtors	10	1,923		1,688	
Cash at bank and in hand		-		122	
		1,923		1,810	
Creditors. amounts falling due within one year	11	(31,806)		(25,685)	
Net current liabilities			(29,883)		(23,875)
Total assets less current liabilities			(13,532)		13,244
Creditors amounts falling due after more than one year	12		-		(2,196)
Provisions for liabilities and charges	13		-		(2,965)
Net (liabilities) / assets			(13,532)		8,083
Capital and reserves					
Called up share capital	14		-		-
Revaluation reserve	15		513		3,754
Profit and loss account	15		(14,045)		4,329
Shareholders' (deficit)/funds	16		(13,532)		8,083

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

These financial statements were approved by the board of directors on 30 April 2014 and were signed on its behalf by

Mr David Manson
Director

Company registered number 4556634

Notes
(forming part of the financial statements)

1 Accounting policies

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Under FRS1, the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements

Going concern

The Company has generated a loss after tax in the 18 month period to 30 June 2013 of £18,374,000 and has net liabilities of £13,532,000 and is therefore reliant on other Group companies for support Therefore to assess the company's ability to continue as a going concern, the directors have considered the financial position and performance of both the company and the largest group of which the company is a member and for which consolidated financial statements are prepared As at 30 June 2013, Esquire Consolidated Group Limited was the largest such group ('Old Group') Following the acquisition of certain of the subsidiaries of European Care & Lifestyles (UK) Limited and Esquire Realty Holdings Limited by Embrace Group Limited on 16 April 2014, Embrace Group Limited is the largest such Group ('New Group') In signing these financial statements therefore the Directors of the Company have considered the New Group's financial position in assessing the Company's ability to continue as a going concern

Varde Partners and D E Shaw & Co financed the acquisition of certain of the former Group's subsidiaries by way of a combination of ordinary share capital and loan notes and included a cash injection of £5 million The Directors of Embrace Group Limited have prepared financial projections in line with their five year plan, having taken into account reasonably possible sensitivities and in the context of the significantly reduced overall debt burden in the New Group structure These financial forecasts and projections demonstrate that the New Group will continue to have sufficient funds to meet its cash requirements and its liabilities as they fall due for the next twelve months from approval of these financial statements

Having due regard to the factors noted above, these financial statements have been prepared on the going concern basis

Changes in accounting policies

In previous years, the freehold land and buildings were accounted for as investment properties However, these have been reclassified as tangible fixed assets following the Company's acquisition by Esquire Realty Holdings Limited as a fellow group company also owns the company to which the properties are loaned Freehold land and buildings are revalued to market value on an annual basis With respect to the freehold land and buildings, the buildings are maintained to such a standard that their residual value is not less than their cost or valuation, hence no depreciation is charged as it is not material

Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

Consolidation

The financial statements present information about the company as an individual undertaking and not about its group The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of Esquire Consolidated Group Limited, a company incorporated in Guernsey, and is included in the consolidated accounts of that company

Notes *(continued)*

1 Accounting policies *(continued)*

Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation Freehold land and buildings are revalued to market value on an annual basis Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold Nil

With respect to the freehold land and buildings, the buildings are maintained to such a standard that their residual value is not less than their cost or valuation, hence no depreciation is charged as it is not material

Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

Investments

Fixed asset investments are stated at cost less provision for diminution in value

Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future

2 Turnover

Revenue comprises the fair value of rental income receivable for the period in respect of properties occupied by tenants and is recognised in respect of the days that properties have been occupied in the relevant period

3 Profit/(loss) on ordinary activities before taxation

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
(Loss)/profit on ordinary activities before taxation is stated after charging.		
Impairment of fixed assets	**20,435**	-
Fees payable to the company's auditor		
Audit of these financial statements	**2**	13

Audit fees for the period ended 30 June 2013 have been borne by a fellow subsidiary undertaking, European Care & Lifestyles (UK) Limited Fees paid to KPMG LLP and its associates for non-audit services to the company itself are not disclosed because Esquire Consolidated Group Limited is required to disclose such fees on a consolidated basis

Notes *(continued)*

3 Profit/(loss) on ordinary activities before taxation *(continued)*

Exceptional items charged to the profit and loss account are

Administrative expenses	**Period ended 30 June 2013**	Year ended 31 December 2011
Impairment of fixed assets	**20,435**	-
Release of balance with fellow group company (note 19)	**(377)**	-
	20,058	-
Interest payable and similar charges		
Fund raising	**313**	-
Taxation		
Release of deferred tax provision	**(2,965)**	-

4 Interest receivable and similar income

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
Other interest receivable and similar income	**401**	526

5 Interest payable and similar charges

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
On bank loans and overdrafts	**845**	981
Interest on swaps	**248**	-
Losses on terminated swaps	**1,829**	-
Costs associated with refinancing	**313**	-
	3,235	981

Notes *(continued)*

6 Taxation

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
Current tax charge	-	55
Deferred tax (credit)/charge - note 13	(2,965)	139
	(2,965)	194

The tax assessed for the period differs from the standard effective rate of corporation tax in the UK for the period ended 30 June 2013 24 17% (2011 26 5%)

The differences are explained below

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
(Loss)/profit on ordinary activities	(21,339)	1,745
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24 17% (2011 26 5%)	(5,158)	462
Effects of		
Expenses not deductible for tax purposes/(income not taxable)	156	-
Impairments	4,713	-
Capital allowances for the year less than depreciation	215	(16)
Utilisation of tax losses brought forward	64	-
Transfer pricing adjustment	(4)	-
Rate differences	14	-
Other tax adjustments	-	(391)
Current tax charge	-	55

The 2012 Budget on 21 March 2012 announced that the UK corporation tax rate will reduce to 22% by 2014, and the December 2012 Autumn Statement announced a planned further reduction to 21% by 2014 A reduction in the rate from 26% to 25% (effective from 1 April 2012) was substantively enacted on 5 July 2011, and further reductions to 24% (effective from 1 April 2012) and 23% (effective from 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively

This will reduce the company's future current tax charge accordingly The deferred tax asset at 30 June 2013 has been calculated based on the rate of 23% substantively enacted at the balance sheet date

It has not yet been possible to quantify the full anticipated effect of the announced further 2% rate reduction, although this will further reduce the company's future current tax charge and reduce the company's deferred tax asset accordingly

Notes *(continued)*

6 Taxation (continued)

A deferred tax asset would be recognised to the extent that the company makes future taxable profits which could not be satisfied by group relief In accordance with the accounting policy, a deferred tax asset has not been recognised due to the uncertainty over the recoverability of the following -

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
Accelerated capital allowances	**(59)**	(60)
Losses	**63**	-
	4	(60)

7 Tangible fixed assets

	Land and buildings £'000
Cost	
As at 1 January 2012	30,745
Additions	8,192
Revaluation	2,262
Impairment	(25,937)
As at 30 June 2013	15,262
Depreciation	
At beginning and end of period	-
Net book value	
At 30 June 2013	**15,262**
At 31 December 2011	30,745

The group's freehold units are revalued professionally by independent valuers on a five year rolling basis A full property portfolio revaluation was completed as at 30 August 2013 for the valuations at 30 June 2013 by an external valuer Knight Frank LLP, on the basis of existing use value with regards to future income

The valuations were in accordance with the requirements of the Royal Institute of Chartered Surveyors ("RICS") Valuation Standards sixth edition and the International Valuation standards

On a historical cost basis these would have been included at an original cost of £35,278,472 (2011 £27,118 593)

Notes *(continued)*

7 Tangible fixed assets (continued)

Assets under the course of construction

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
As at beginning of period	4,950	1,789
Capitalised costs during the period	2,453	3,658
Transferred to fixed assets	(7,403)	(497)
As at end of period	-	4 950

8 Fixed asset investments

	Shares in subsidiary undertakings £'000
Cost and net book value	
At 1 January 2012	1,464
Disposal	(375)
At 30 June 2013	1,089

The investments are in the Company's subsidiaries, The Manor House Nursing Home Limited and Hollygarth Care Homes Limited and in the preference share capital of European Care (England) Limited (see below)

Company	Principle activity	Country of registration or incorporation	Class of shares held	% of shares held
Subsidiary undertakings				
The Manor House Nursing Home Limited	Dormant	England	Ordinary	100
Hollygarth Care Homes Limited	Dormant	England	Ordinary	100
Other significant interests				
European Care (England) Limited	Provision of Healthcare Services	England	Preference	100

Notes *(continued)*

8 Fixed asset investments (continued)

The aggregate amount of capital and reserves and the results of the subsidiary undertakings for the last relevant financial period were as follows

	Capital and reserves as at 30 June 2013 £'000	Result for the period ended 30 June 2013 £'000	Capital and reserves 2011 £'000	Result for the period 2011 £'000
The Manor House Nursing Home Limited	483	-	483	-
Hollygarth Care Homes Limited	606	-	606	-
	1,089	-	1,089	-

The investments amount to £1,088,806 (2011 £1,463,806) comprised of

i) £482,476 (2011 £482,476) representing 11,500 Ordinary A shares of 1p and 300 Ordinary B shares of 1p each in The Manor Housing Nursing Home Limited

ii) £606,330 (2011 £606,330) representing 67,002 Ordinary shares of £1 in Hollygarth Care Homes Limited

iii) £Nil (2011 £375,000) representing 375,000 preference shares of £1 each in European Care (England) Limited These shares are non-voting and repayable between March 2036 and February 2037 or earlier on termination of leases with European Care (England) Limited These shares were acquired by European Care & Lifestyles (UK) Limited

In the opinion of the directors, no impairment is required in respect of the investments

9 Negative goodwill

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
As at beginning of period	40	159
Amortisation	(40)	(119)
As at end of period	-	40

On 5 May 2005, the Company acquired 100% of the share capital of Hollygarth Care Homes Limited On the same day the assets and the business were leased to a third party operator under a 7 year lease

Notes *(continued)*

10 Debtors

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
Prepayments and accrued income	**7**	1
Loans	**-**	719
Amounts due from other group companies	**1,916**	583
Other debtors	**-**	385
	1,923	1,688

11 Creditors: amounts falling due within one year

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
Trade creditors	**10**	-
Bank loans and overdrafts	**17,656**	17,514
Amounts owed to parent and fellow subsidiary undertakings	**12,862**	8,093
Other creditors	**-**	1
Accruals	**1,278**	77
	31,806	25,685

12 Creditors: amounts falling due after more than one year

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
Other loans	**-**	2,196

Analysis of financial liabilities

Not wholly repayable within five years other than by instalments	**-**	2,196
Wholly repayable within five years	**17,656**	-
	17,656	2,196
Included within current liabilities	**(17,656)**	-
	-	2,196

Loan maturity

In more than one year but not more than two years	**-**	2,196

Notes *(continued)*

13 Provisions for deferred tax

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
As at beginning of period	2,965	2,826
Deferred tax on carry forward losses	-	139
Release of provision no longer required	(2,965)	-
As at end of period	-	2,965

14 Called up share capital

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
Allotted, called up and fully paid		
1 ordinary share of £1 each	-	-

15 Reserves

	Revaluation reserve £'000	**Profit and loss reserve £'000**
As at 1 January 2012	3,754	4,329
Loss for the period	-	(18,374)
Movement in unrealised surplus on revaluation of properties	(3 241)	-
As at 30 June 2013	**513**	**(14,045)**

16 Reconciliation of movements in shareholders' funds

	Period ended 30 June 2013 £'000	Year ended 31 December 2011 £'000
(Loss) / profit for the financial period	(18,374)	1,551
Movement in unrealised surplus on revaluation of properties	(3,241)	(5,845)
Opening shareholders' funds	8 083	12,377
Closing shareholders' funds	**(13,532)**	8 083

Notes *(continued)*

17 Remuneration of directors

The directors of the company are paid by European Care & Lifestyles (UK) Limited Details of their remuneration are disclosed in that company's financial statements

18 Contingent liabilities

The company has given cross guarantees to the bankers of the holding company and some of its fellow subsidiaries and connected companies, up to £280,723,000

19 Related party disclosures

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by Esquire Consolidated Group Limited

Until 24th July 2012, the company was related to Public Services Properties Investments Limited ("PSPI") In the current period, the company was charged management fees of £Nil (2011 £300,832) At the period end, the balance outstanding was £Nil

During the period, the group made purchases at arms' length of consumable and fixed assets from Vendors Plus Limited amounting to £337,513 *(2011 £4,700,000)* The company was related by virtue of common ownership However the company ceased to be related by virtue of common ownership on 31 December 2012

20 Ultimate parent company and parent undertaking of larger group of which the company is a member

The Directors regard Esquire Realty Group Limited, a company registered in England and Wales, as the immediate parent company of Healthcare Properties (Oxford) Limited, and as of 16 April 2014, Embrace Group Limited, a company registered in England and Wales, as the ultimate parent company in the United Kingdom At 30 June 2013, Esquire Group Investment (Holdings) Limited, a company incorporated in the British Virgin Islands, was the ultimate parent company Embrace Group Limited is beneficially owned by funds managed by Varde Partners and D E Shaw & Co who are considered by the directors to be the ultimate controlling party of the group

21 Post balance sheet events

On 16 April 2014, Embrace Group Limited, a company whose significant shareholders are Varde Partners and D E Shaw & Co, acquired certain of the subsidiaries of European Care & Lifestyles (UK) Limited and Esquire Realty Holdings Limited Esquire Realty Group Limited, a subsidiary of Embrace Group Limited, acquired the beneficial interest in the share capital of the Company More details and the impact of this on the Company's financing are outlined in the Going Concern section of Note 1