

Financial Statements

Alpha Hospitals Limited

For the year ended 31 March 2015

Registered number: 4590303

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Company Information

Directors	P Hodgkinson K Hameed A Karandawala C Thomas B Choudhrie D Choudhrie S Kapur D Choudhrie
Company secretary	S Pudaruth
Registered number	4590303
Registered office	1 Vincent Square Victoria London SW1P 2PN
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor No 1 Whitehall Riverside Leeds West Yorkshire LS1 4BN

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Directors' Report

For the year ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

Principal activities

The principal activities of the company and the group is the provision of specialist secure psychiatric care for adults and adolescents. The group operates 305 beds from locations in Bury, Lancashire; Sheffield, South Yorkshire and Woking, Surrey.

All hospital facilities are registered with the Care Quality Commission in accordance with the requirements of the Health and Social Care Act 2008.

Results

The loss for the year, after taxation, amounted to £2,618,651 (2014 - loss £5,152,030).

Directors

The directors who served during the year were:

P Hodgkinson
K Hameed
A Karandawala
C Thomas
B Choudhrie (appointed 20 October 2014)
D Choudhrie (appointed 8 December 2014)
S Kapur (appointed 8 December 2014)
D Choudhrie (appointed 15 February 2015)

Employee involvement

During the year, 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.

Disabled employees

The group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. 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.

Qualifying third party indemnity provisions

During the financial year, qualifying third party indemnity provision for the benefit of all directors was in force.

Matters covered in the Strategic report

Disclosures of the financial risks and future developments have been included in the Strategic Report.

Directors' Report

For the year ended 31 March 2015

Directors' responsibilities statement

The directors are responsible for preparing the Group 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 elected to prepare 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 the group and of the profit or loss of the group 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Directors' Report

For the year ended 31 March 2015

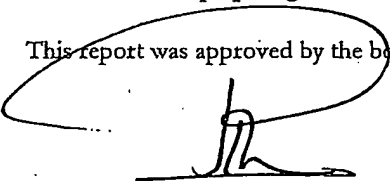
Going concern

As noted in the Business Review, the hospitals group has achieved significant growth in revenue and average daily occupancy during the year. The Sheffield CAMHS service has further matured and the opening of Park Grange during the year give the directors reasonable expectation that the group will continue to meet its operational requirements for the foreseeable future.

The Group is part of a wider Group financing facility that has been extended to 31 December 2015. This extension was secured to enable a financial and strategic review of the debt structure within the wider C&C Alpha Healthcare Group and in order to establish the appropriate debt management strategy to be implemented. The wider Group has not yet commenced discussions with its bankers about extending the facility beyond 31 December 2015 although the directors are currently in advanced discussions with a third party for an alternative source of investment. Whilst the directors are confident that a satisfactory outcome will be achieved, at the date of signing these financial statements no formal contractual agreement has been reached.

The directors have concluded that the combination of these circumstances and the signing of this report prior to formally concluding discussions with the third party represent a material uncertainty to the group's financing structure and thereby its operation as a going concern. Nevertheless after making enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

This report was approved by the board on 19 August 2015 and signed on its behalf.



C Thomas
Director

Group Strategic Report

For the year ended 31 March 2015

Introduction

The directors present their Strategic Report on Alpha Hospitals Limited for the year ended 31 March 2015.

Business review

The results for the year are set out in the consolidated profit and loss account and the financial position of the Group as at 31 March 2015 is set out in the consolidated balance sheet.

In the year ended 31 March 2015, Alpha Hospitals generated total revenue of £47.7 million (2014 - £42.1 million); average daily occupancy in 2015 was significantly higher than the prior year following the opening of 27 additional CAMHS Tier 4 beds at Alpha Hospital Sheffield in September 2014.

In the year ended 31 March 2015, Alpha Hospitals Adjusted EBITDA (earnings before interest, tax, depreciation, amortisation and operating exceptional items) was £2.4 million (2014 - £1.6 million); the increased profitability reported for 2015 is a direct result of the new Adolescent services provided at Alpha Hospital Sheffield.

The Group is part of Group financing facility, headed by C&C Alpha Healthcare Group Limited. The term loan facilities with Lloyds Bank Group have been extended to 31 December 2015.

The Group properties were revalued as at 31 March 2015 at open market value by Christie & Co Surveyors. Adjustments to valuation have been predominantly accounted for within the Revaluation Reserve of the group.

Financial risk management objectives and policies

The Group uses various financial instruments that include loans, cash and working capital items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's new build hospital development program and day-to-day operations.

The Group's policy is to finance its new build development program through an appropriate mix of long-term debt and equity finance. Day-to-day operations are financed through a combination of cash resources and working capital.

The existence of these financial instruments exposes the Group and Company to a number of financial risks, which are described in more detail below. In order to manage the Group's exposure to those risks, in particular the group's exposure to interest rate risk the company enters into derivative transactions including, but not limited to, variable to fixed rate interest rate swaps. All transactions in derivatives are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken.

Group Strategic Report (continued)

For the year ended 31 March 2015

The main risks arising from the Group's financial instruments are cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Interest rate risk

The group finances its operations through a mixture of retained profits and bank borrowings. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Liquidity risk

The group manages financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest surplus cash safely and profitably.

Credit risk

In order to manage credit risk, the directors set working capital targets including debtor days. Outstanding balances are reviewed by the credit controller on a regular basis, in conjunction with debt ageing, and the group operates a robust collection procedure.

Financial key performance indicators

The Group's management uses a range of financial and non-financial indicators to measure the operational and strategic performance of the business. These include Adjusted EBITDA, registered beds, average daily census ("ADC") and occupancy percentages.

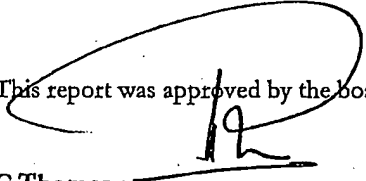
Financial

Adjusted EBITDA reflects earnings before interest, tax, depreciation, amortisation and operating exceptional items. Adjusted EBITDA margin reflects Adjusted EBITDA divided by revenue and was 5.1% (2014 — 3.7%) in the year.

Non-financial

As at 31 March 2015, the total number of registered beds across the Group was 305 (31 March 2014 - 276). During the year average ADC was 231 (2014 - 209) and occupancy based on available beds at year end was 85.7% (2014 — 83.9%).

This report was approved by the board on 19 August 2015 and signed on its behalf.


C Thomas
Director

Independent Auditor's Report to the Members of Alpha Hospitals Limited

We have audited the financial statements of Alpha Hospitals Limited for the year ended 31 March 2015, which comprise the consolidated Profit and loss account, the consolidated and company Balance sheets, the consolidated Statement of total recognised gains and losses, the note of consolidated Historical cost profits and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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, 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 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 website 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 group's and of the parent company's affairs as at 31 March 2015 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of matter

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1.2 to the financial statements concerning the company's ability to continue as a going concern.

At the balance sheet date and at the date of signing the financial statements, the company has provided a cross corporate guarantee in relation to bank loans on behalf of its parent company and certain fellow subsidiary undertakings. Since the year end the wider group bank loan facility has been extended to 31 December 2015. As explained in note 1.2, the wider group has not yet commenced discussions with its bankers about extending the facility beyond 31 December 2015 although the directors are currently in advanced discussions with a third party for an alternative source of investment but have not yet formally concluded this agreement.

These conditions, along with the other matters explained in note 1.2 to the financial statements, indicate the existence of a material uncertainty about the company's ability to continue as a going concern. The Directors have prepared the financial statements on a going concern basis as they consider that the operations undertaken by the



Grant Thornton

Independent Auditor's Report to the Members of Alpha Hospitals Limited

company will continue for the foreseeable future. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept 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.

A handwritten signature in black ink, appearing to read 'Victoria McLoughlin'.

Victoria McLoughlin (Senior statutory auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Leeds

19 August 2015

Consolidated Profit and Loss Account

For the year ended 31 March 2015

	Note	2015 £	2014 £
Turnover	1,2	47,733,001	42,054,689
Cost of sales		(35,395,160)	(32,903,664)
Gross profit		12,337,841	9,151,025
Administrative expenses		(13,212,329)	(12,993,584)
Operating loss	3	(874,488)	(3,842,559)
Interest payable and similar charges	7	(1,702,045)	(1,552,037)
Loss on ordinary activities before taxation		(2,576,533)	(5,394,596)
Tax on loss on ordinary activities	8	(42,118)	242,566
Loss for the financial year	17	(2,618,651)	(5,152,030)

All amounts relate to continuing operations.

The notes on pages 12 to 25 form part of these financial statements.

Consolidated Statement of Total Recognised Gains and Losses

For the year ended 31 March 2015

	2015 £	2014 £
Loss for the financial year	(2,618,651)	(5,152,030)
Unrealised surplus/(deficit) on revaluation of tangible fixed assets	13,105,031	(18,437,032)
Total recognised gains and losses relating to the year	10,486,380	(23,589,062)

Note of Consolidated Historical Cost Profits and Losses

For the year ended 31 March 2015

	2015 £	2014 £
Reported loss on ordinary activities before taxation	(2,576,533)	(5,394,596)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year calculated on the revalued amount	567,666	974,230
Historical cost loss on ordinary activities before taxation	(2,008,867)	(4,420,366)
Historical loss for the year after taxation	(2,050,985)	(4,177,800)

The notes on pages 12 to 25 form part of these financial statements.

Consolidated Balance Sheet

As at 31 March 2015

	Note	£	2015 £	2014 £
Fixed assets				
Intangible assets	9		5,617,504	6,208,816
Tangible assets	10		101,989,797	90,705,250
			<u>107,607,301</u>	<u>96,914,066</u>
Current assets				
Debtors	12	4,078,054	5,015,541	
Cash at bank and in hand		2,970,713	3,769,891	
		<u>7,048,767</u>	<u>8,785,432</u>	
Creditors: amounts falling due within one year	13	(54,721,277)	(12,325,212)	
Net current liabilities			<u>(47,672,510)</u>	<u>(3,539,780)</u>
Total assets less current liabilities			<u>59,934,791</u>	<u>93,374,286</u>
Creditors: amounts falling due after more than one year	14		-	(43,768,875)
Provisions for liabilities				
Deferred tax	15		(747,000)	(904,000)
Net assets			<u>59,187,791</u>	<u>48,701,411</u>
Capital and reserves				
Called up share capital	16		4,738,618	4,738,618
Share premium account	17		13,775,502	13,775,502
Revaluation reserve	17		42,215,897	29,110,866
Profit and loss account	17		(1,542,226)	1,076,425
Shareholders' funds	18		<u>59,187,791</u>	<u>48,701,411</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 August 2015.


C Thomas
Director

The notes on pages 12 to 25 form part of these financial statements.

Company Balance Sheet

As at 31 March 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	10		19,386,981		19,000,000
Investments	11		12,899,083		12,899,083
			<u>32,286,064</u>		<u>31,899,083</u>
Current assets					
Debtors	12	15,982,917		19,050,397	
Cash at bank and in hand		714,218		2,012,894	
		<u>16,697,135</u>		<u>21,063,291</u>	
Creditors: amounts falling due within one year	13	(46,026,363)		(3,808,084)	
Net current (liabilities)/assets			<u>(29,329,228)</u>		<u>17,255,207</u>
Total assets less current liabilities			<u>2,956,836</u>		<u>49,154,290</u>
Creditors: amounts falling due after more than one year	14		-		(43,821,687)
Net assets			<u><u>2,956,836</u></u>		<u><u>5,332,603</u></u>
Capital and reserves					
Called up share capital	16		4,738,618		4,738,618
Share premium account	17		13,775,502		13,775,502
Revaluation reserve	17		1,025,127		274,192
Profit and loss account	17		(16,582,411)		(13,455,709)
Shareholders' funds	18		<u><u>2,956,836</u></u>		<u><u>5,332,603</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 August 2015.

C Thomas
Director

The notes on pages 12 to 25 form part of these financial statements.

Notes to the Financial Statements

For the year ended 31 March 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and in accordance with applicable accounting standards.

1.2 Going concern

As noted in the Business Review, the hospitals group has achieved significant growth in revenue and average daily occupancy during the year. The Sheffield CAMHS service has further matured and the opening of Park Grange during the year give the directors reasonable expectation that the group will continue to meet its operational requirements for the foreseeable future.

The Group is part of a wider Group financing facility that has been extended to 31 December 2015. This extension was secured to enable a financial and strategic review of the debt structure within the wider C&C Alpha Healthcare Group and in order to establish the appropriate debt management strategy to be implemented. The wider Group has not yet commenced discussions with its bankers about extending the facility beyond 31 December 2015 although the directors are currently in advanced discussions with a third party for an alternative source of investment. Whilst the directors are confident that a satisfactory outcome will be achieved, at the date of signing these financial statements no formal contractual agreement has been reached.

The directors have concluded that the combination of these circumstances and the signing of this report prior to formally concluding discussions with the third party represent a material uncertainty to the group's financing structure and thereby its operation as a going concern. Nevertheless after making enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

1.3 Cash flow

The Company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.4 Basis of consolidation

The Group financial statements consolidate those of the Company and of its subsidiary undertakings (see note 23) drawn up to 31 March 2015.

As a consolidated profit and loss account is published. A separate profit and loss account for the parent company is omitted from the Group financial statements by virtue of section 408 of the Companies Act 2006.

1.5 Turnover

Turnover is the revenue arising from the sales of services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

Revenue from services provided by the Group is recognised when the Group has performed its obligations and in exchange obtained the right to consideration.

Notes to the Financial Statements

For the year ended 31 March 2015

1. Accounting Policies (continued)

1.6 Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Profit and loss account over its estimated economic life.

Amortisation is provided at the following rates:

Goodwill	- 20 years
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1.7 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Plant & machinery	- 25-33% straight line
Fixtures & fittings	- 25-33% straight line

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets is transferred annually from the revaluation reserve to the profit and loss reserve.

The carrying values of tangible fixed assets are reviewed for impairment in periods if events or changes in circumstances indicate the carrying value may not be recoverable.

1.8 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the Profit and loss account.

1.9 Investments

Investments are included at cost less amounts written off.

1.10 Operating leases

Rentals under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Notes to the Financial Statements

For the year ended 31 March 2015

1. Accounting Policies (continued)

1.11 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences, between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.12 Pensions

The Company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the Company to the fund in respect of the year.

2. Turnover

The whole of the turnover is attributable to the one principal activity of the group.

All turnover arose within the United Kingdom.

3. Operating loss

The operating loss is stated after charging/(crediting):

	2015	2014
	£	£
Amortisation - intangible fixed assets	591,312	591,316
Depreciation of tangible fixed assets:		
- owned by the group	2,517,234	2,746,082
Impairment of fixed assets	196,048	2,065,796
Operating lease rentals:		
- plant and machinery	11,537	71,334
- other operating leases	50,621	48,823
(Profit)/loss on sale of tangible assets	(1,882)	5,208

Notes to the Financial Statements

For the year ended 31 March 2015

4. Auditors' remuneration

	2015 £	2014 £
Fees payable to the company's auditor for the audit of the company's annual accounts	21,500	20,000
Fees payable to the company's auditor in respect of:		
The auditing of accounts of the subsidiaries of the company pursuant to legislation	17,000	17,000
Taxation services	7,250	7,250
Other services	1,425	550
	<u>29,175</u>	<u>24,800</u>

5. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	26,605,142	24,097,866
Social security costs	2,395,586	2,089,985
Other pension costs	629,665	433,759
	<u>29,630,393</u>	<u>26,621,610</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2015 No.	2014 No.
Nursing staff	718	685
Administrative	422	388
	<u>1,140</u>	<u>1,073</u>

Notes to the Financial Statements

For the year ended 31 March 2015

6. Directors' remuneration

	2015 £	2014 £
Remuneration	<u>298,894</u>	<u>354,385</u>
Company pension contributions to defined contribution pension schemes	<u>35,620</u>	<u>34,552</u>

During the year retirement benefits were accruing to 1 director (2014 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £298,894 (2014 - £354,385).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £35,620 (2014 - £34,552).

7. Interest payable

	2015 £	2014 £
On finance leases and hire purchase contracts	-	9,220
Interest payable to group undertakings	<u>1,702,045</u>	<u>1,542,817</u>
	<u>1,702,045</u>	<u>1,552,037</u>

8. Taxation

	2015 £	2014 £
Analysis of tax charge/(credit) in the year		
Current tax (see note below)		
UK corporation tax charge/(credit) on loss for the year	206,586	(78,537)
Adjustments in respect of prior periods	(7,468)	(29)
Total current tax	<u>199,118</u>	<u>(78,566)</u>
Deferred tax (see note 15)		
Origination and reversal of timing differences	(157,000)	(164,000)
Tax on loss on ordinary activities	<u>42,118</u>	<u>(242,566)</u>

Notes to the Financial Statements

For the year ended 31 March 2015

8. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2014 - lower than) the standard rate of corporation tax in the UK of 21% (2014 - 23%). The differences are explained below:

	2015 £	2014 £
Loss on ordinary activities before tax	(2,576,533)	(5,394,596)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21% (2014 - 23%)	(541,072)	(1,240,757)
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	124,176	136,003
Expenses not deductible for tax purposes	322,125	545,171
Depreciation in excess of capital allowances for the period	206,136	6,960
Loss not utilised during the period	50,821	-
Adjustments to tax charge in respect of prior periods	(7,467)	(29)
Other differences leading to an increase (decrease) in the tax charge	3,229	(1,047)
Impairment of fixed assets	41,170	475,133
Current tax charge/(credit) for the year (see note above)	199,118	(78,566)

9. Intangible fixed assets

	Goodwill £
Group	
Cost	
At 1 April 2014 and 31 March 2015	11,826,318
Amortisation	
At 1 April 2014	5,617,502
Charge for the year	591,312
At 31 March 2015	6,208,814
Net book value	
At 31 March 2015	5,617,504
At 31 March 2014	6,208,816

The goodwill relates to the acquisition of Alpha Hospitals (NW) Limited in a previous year.

Notes to the Financial Statements

For the year ended 31 March 2015

10. Tangible fixed assets

Group	Freehold property £	Plant, machinery & motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation				
At 1 April 2014	88,372,645	1,218,240	4,621,367	94,212,252
Additions	169,868	174,868	570,902	915,638
Disposals	-	(6,812)	(17,910)	(24,722)
Transfer between classes	(198,156)	198,156	-	-
Impairment charge	(196,048)	-	-	(196,048)
Revaluation surplus	11,699,186	-	-	11,699,186
At 31 March 2015	99,847,495	1,584,452	5,174,359	106,606,306
Depreciation				
At 1 April 2014	-	699,711	2,807,291	3,507,002
Charge for the year	1,528,594	203,426	785,214	2,517,234
On disposals	-	(1,882)	-	(1,882)
On revalued assets	(1,405,845)	-	-	(1,405,845)
At 31 March 2015	122,749	901,255	3,592,505	4,616,509
Net book value				
At 31 March 2015	99,724,746	683,197	1,581,854	101,989,797
At 31 March 2014	88,372,645	518,529	1,814,076	90,705,250

Notes to the Financial Statements

For the year ended 31 March 2015

10. Tangible fixed assets (continued)

Included within freehold property is £nil (2014: £4,225,808) relating to assets under construction.

The freehold and leasehold property were revalued on 31 March 2015 at open market value by Christie & Co Surveyors, in accordance with RICS appraisal and valuation standards published by the Royal Institute of Chartered Surveyors.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention. The net book value at the year end was £55,111,074 (2014: £51,740,795).

Company	Freehold property £	Plant & machinery £	Total £
Cost or valuation			
At 1 April 2014	18,481,471	1,218,240	19,699,711
Additions	75,628	174,868	250,496
Disposals	-	(6,812)	(6,812)
Transfer between classes	(198,156)	198,156	-
Impairment charge	(196,048)	-	(196,048)
Revaluation surplus	663,637	-	663,637
At 31 March 2015	18,826,532	1,584,452	20,410,984
Depreciation			
At 1 April 2014	-	699,711	699,711
Charge for the year	210,046	203,426	413,472
On disposals	-	(1,882)	(1,882)
On revalued assets	(87,298)	-	(87,298)
At 31 March 2015	122,748	901,255	1,024,003
Net book value			
At 31 March 2015	18,703,784	683,197	19,386,981
At 31 March 2014	18,481,471	518,529	19,000,000

The freehold and leasehold property were revalued on 31 March 2015 at open market value by Christie & Co Surveyors, in accordance with RICS appraisal and valuation standards published by the Royal Institute of Chartered Surveyors.

If the land and buildings had not been included at valuation they would have been included under the historical cost convention. The net book value at the year end was £15,333,953 (2014: £15,774,042).

Notes to the Financial Statements

For the year ended 31 March 2015

11. Investments

Company	Investments in subsidiary companies £
Cost	
At 1 April 2014 and 31 March 2015	12,899,083
Net book value	
At 31 March 2015	12,899,083
At 31 March 2014	12,899,083

Details of the principal subsidiaries can be found under note 23.

12. Debtors

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade debtors	408,071	690,188	-	135,769
Amounts owed by group undertakings	3,190,926	3,333,382	15,833,404	18,597,945
Other debtors	71,467	133,031	12,520	26,003
Prepayments and accrued income	407,590	858,940	136,993	290,680
	<u>4,078,054</u>	<u>5,015,541</u>	<u>15,982,917</u>	<u>19,050,397</u>

13. Creditors:

Amounts falling due within one year

	Group		Company	
	2015	2014	2015	2014
	£	£	£	£
Trade creditors	1,764,486	1,738,937	866,401	585,738
Amounts owed to group undertakings	51,478,517	8,973,890	44,712,983	2,522,777
Other taxation and social security	734,044	731,249	175,201	251,157
Other creditors	97,227	63,749	25,188	16,315
Accruals and deferred income	647,003	817,387	246,590	432,097
	<u>54,721,277</u>	<u>12,325,212</u>	<u>46,026,363</u>	<u>3,808,084</u>

Notes to the Financial Statements

For the year ended 31 March 2015

13. Creditors:**Amounts falling due within one year (continued)**

Amounts borrowed by the ultimate parent company and subsequently lent to its subsidiary companies are secured by a debenture over the assets of C&C Alpha Healthcare Group Limited, a cross guarantee from each of the Group companies and a first legal charge over the properties of the Group.

14. Creditors:**Amounts falling due after more than one year**

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Amounts owed to group undertakings	-	43,768,875	-	43,821,687

Amounts borrowed by the ultimate parent company and subsequently lent to its subsidiary companies are secured by a debenture over the assets of C&C Alpha Healthcare Group Limited, a cross guarantee from each of the Group companies and a first legal charge over the properties of the Group.

15. Deferred taxation

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
At beginning of year	904,000	1,068,000	-	-
(Released during)/charge for the year (P&L)	(157,000)	(164,000)	-	-
At end of year	747,000	904,000	-	-

The provision for deferred taxation is made up as follows:

	<u>Group</u>		<u>Company</u>	
	2015	2014	2015	2014
	£	£	£	£
Accelerated capital allowances	754,000	909,000	-	-
Other timing differences	(7,000)	(5,000)	-	-
	747,000	904,000	-	-

Notes to the Financial Statements

For the year ended 31 March 2015

16. Share capital

	2015 £	2014 £
Allotted, called up and fully paid		
4,738,618 Ordinary shares of £1 each	4,738,618	4,738,618

17. Reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Group			
At 1 April 2014	13,775,502	29,110,866	1,076,425
Loss for the financial year	-	-	(2,618,651)
Deficit on revaluation of freehold property	-	13,105,031	-
At 31 March 2015	13,775,502	42,215,897	(1,542,226)
Company			
At 1 April 2014	13,775,502	274,192	(13,455,709)
Loss for the financial year	-	-	(3,126,702)
Deficit on revaluation of freehold property	-	750,935	-
At 31 March 2015	13,775,502	1,025,127	(16,582,411)

Notes to the Financial Statements

For the year ended 31 March 2015

18. Reconciliation of movement in shareholders' funds

	2015	2014
Group	£	£
Opening shareholders' funds	48,701,411	72,290,473
Loss for the financial year	(2,618,651)	(5,152,030)
Other recognised gains and losses during the year	13,105,031	(18,437,032)
Closing shareholders' funds	<u>59,187,791</u>	<u>48,701,411</u>

	2015	2014
Company	£	£
Opening shareholders' funds	5,332,603	13,408,175
Loss for the financial year	(3,126,702)	(4,469,485)
Other recognised gains and losses during the year	750,935	(3,606,087)
Closing shareholders' funds	<u>2,956,836</u>	<u>5,332,603</u>

The Company has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Profit and loss account.

The loss for the year dealt with in the accounts of the company was £3,126,702 (2014: £4,469,485).

19. Pension commitments

The Company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the Company. The pension cost charge represents contributions payable by the group to the fund and amounted to £646,894 (2014: £433,760). Contributions totalling £83,955 (2014: £44,182) were payable to the fund at the balance sheet date and are included in creditors.

Notes to the Financial Statements

For the year ended 31 March 2015

20. Operating lease commitments

At 31 March 2015 the Group had annual commitments under non-cancellable operating leases as follows:

Group	Land and buildings		2015	Other 2014
	2015	2014		
	£	£	£	£
Expiry date:				
Within 1 year	-	-	3,573	47,548
Between 2 and 5 years	-	-	134,568	92,337
After more than 5 years	50,621	50,549	1,857	-
	<u>50,621</u>	<u>50,549</u>	<u>1,857</u>	<u>-</u>

At 31 March 2015 the Company had annual commitments under non-cancellable operating leases as follows:

Company	Land and buildings		2015	Other 2014
	2015	2014		
	£	£	£	£
Expiry date:				
Within 1 year	-	-	2,662	6,493
Between 2 and 5 years	-	-	58,397	58,135
After more than 5 years	50,621	50,549	1,857	-
	<u>50,621</u>	<u>50,549</u>	<u>1,857</u>	<u>-</u>

21. Related party transactions

The company has taken advantage of the exemption from reporting related party transactions with other group companies, conferred by Financial Reporting Standard 8, on the grounds that the company is a wholly owned subsidiary and the parent undertaking prepares consolidated financial statements which include the company.

During the year interest of £1,662,375 (2014: £1,542,817) was paid direct to Bank of Scotland on behalf of C&C Alpha Healthcare Group Limited, a company which is under the common control of Harberry Investments. £33,231,287 (2014: £33,737,179) was due to C&C Alpha Healthcare Group Limited at the year end.

Included in amounts owed to Groups is £500,597 (2014: £2,826,909) due to Alpha Health Care Limited, a company which is under common control of Harberry Investments Limited.

At the year end £2,578,898 (2014: £2,425,830) was due from Alpha Health Care Limited, a company under the common control of Harberry Investments Limited.

At the year end the company owed £11,124,715 (2014: £9,634,755) to C&C Alpha Group Limited, a company under the common control of Harberry Investments Limited.

The company has paid rent and service charges of £58,257 (2014: £58,980) during the year to C&C Alpha Group Limited, a company under the common control of Harberry Investments Limited. No amounts were outstanding at the year end (2014: £nil).

Notes to the Financial Statements

For the year ended 31 March 2015

22. Ultimate parent undertaking and controlling party

In the directors' opinion, the Company's ultimate parent undertaking and controlling party is Harberry Investments Limited, a company incorporated in the British Virgin Islands.

The largest group of undertakings for which group accounts have been drawn up is that headed by C&C Alpha Group Limited, a company incorporated in England and Wales. Copies of the group accounts can be obtained at 1 Vincent Square, Victoria, London, SW1P 2PN.

The smallest group of undertakings for which group accounts have been drawn up is C&C Alpha Healthcare Group Limited. Copies of the group accounts can be obtained at 1 Vincent Square, Victoria, London, SW1P 2PN.

23. Principal subsidiaries

Company name	Country	Percentage Shareholding	Activity
Alpha Hospitals (NW) Limited	United Kingdom	100	Mental healthcare
Safe Spaces Limited*	United Kingdom	100	Dormant

*Owned via shareholding in Alpha Hospitals (NW) Limited.

The above undertakings have been consolidated in the Group financial statements.

24. Capital commitments

Amounts contracted for but not provided in the financial statements amounted to £0.1m (2014: £nil).

25. Contingencies

There is a charge over the properties of the company to secure certain borrowings of the intermediate parent company, C&C Alpha Healthcare Group Limited.

The company has given a cross corporate guarantee in relation to bank loans on behalf of its parent company and certain fellow subsidiary undertakings. At 31 March 2015, this guarantee amounted to £62.5m (2014: £65.6m).