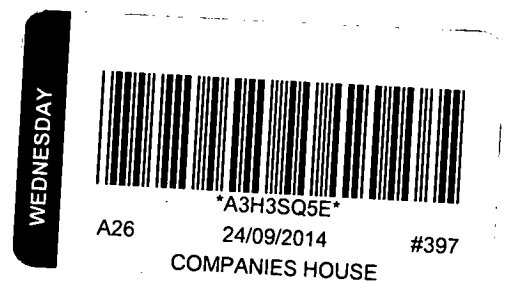


## Partnerships in Care Group Limited

Directors' report and financial statements

For the year ended 31 December 2013



# Partnerships in Care Group Limited

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# Partnerships in Care Group Limited

## **Directors' report For the year ended 31 December 2013**

The directors present their report and the financial statements for the year ended 31 December 2013.

### **Results and dividends**

The loss for the year, after taxation, amounted to £27,529,000 (2012 - loss £28,361,000).

The directors do not recommend the payment of a dividend (2012 - Nil).

### **Directors**

The directors who served during the year were:

Kevin Beeston  
Joy Chamberlain  
Ian Carruthers (appointed 26 June 2013)  
Rebecca Gibson (resigned 10 July 2013)  
Quazi Haque  
Simon Lane  
Alex Leslie

There are no directors retiring by rotation.

### **Employee involvement**

The Group nurtures commitment and excellence in its staff by encouraging the active involvement of all staff at all levels in the organisation's primary objective of improving patient care. Staff are encouraged to strive continually for improvements in all aspects of the business and to be active members of the team in which they work. All levels of staff engage in the 'Listen, share, learn and have your say' events held across the UK, which involve patients and family/carers. We give two-way internal communication high priority, with staff able to contribute their ideas centrally and give their views on new developments.

We strive continually to get higher levels of staff retention, to promote equality and diversity in our workforce, and to support self-development where consistent with the organisation's objectives.

### **Disabled employees**

The Group recognises that it has clear obligations towards all its employees and the community at large to ensure that people with disabilities are afforded equal opportunities to enter employment and to progress within the Group.

In addition to complying with the requirements of the Equality Act 2010, the Group has established procedures designed to provide for fair consideration and selection of disabled applicants and to satisfy their training and career development needs. Where employees become disabled in the course of their employment, the Group will attempt to ensure they remain in employment by making reasonable adjustments to accommodate their disability.

### **Disclosure of information to auditors**

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

- so far as that director is aware, there is no relevant audit information of which the Company and the Group's auditors are 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 auditors are aware of that information.

## **Partnerships in Care Group Limited**

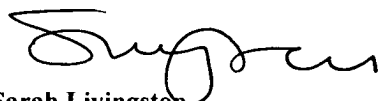
### **Directors' report**

**For the year ended 31 December 2013**

#### **Independent auditors**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board on 31 March 2014 and signed on its behalf.



**Sarah Livingston**  
Company secretary

2 Imperial Place  
Maxwell Road  
Borehamwood  
Hertfordshire  
WD6 1JN

# **Partnerships in Care Group Limited**

## **Group strategic report For the year ended 31 December 2013**

### **Introduction**

The directors present their strategic report for the financial year ended 31 December 2013.

### **Business review**

In 2013 the new commissioning structure for NHS services came into place. Most of the changes took effect on April 1 2013, and commissioning power is now firmly in the hands of NHS England and the Clinical Commissioning Groups (CCGs).

In February 2013, Robert Francis QC's report on the Mid Staffordshire NHS Foundation Trust Public Inquiry was published. The scale of the inquiry and the wide-ranging nature of its 290 recommendations then sparked a multitude of reviews and reports in response. Although the vast majority of the direct recommendations were clearly targeted at NHS bodies, the report was an important marker of a change of approach and public attitude, and hence affected the independent sector as well as the health and social care sector.

There is continuing strong demand from the NHS for independent provision of secure and specialist services. This is reflected in PiC's stable occupancy figures and increased referrals and admissions. The reduction in price per patient stay over the past two years reflects our willingness to absorb some share of the budget pressure our customers face in the current climate and to maintain our position as a partner of choice.

PiC has consistently invested in the quality of our built environments. Our capital expenditure programme, which has improved the physical and therapeutic environments offered to our patients is ongoing and has permitted us to innovate and respond to market changes.

For the immediate future we continue to focus on providing the highest quality of care, on extending our patient care pathways, continuing to innovate and add new services and maintain our position as a leader in the specialist healthcare sector.

### **Principal risks and uncertainties**

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential risks for the Group. The Group's funding, liquidity and exposure to interest rate risk is managed by the Group's finance department and is subject to internal control procedures. All significant financing transactions are authorised by the Board of Directors. The most important components of financial risk impacting the Group are price risk, liquidity risk, interest rate risk and to a lesser extent credit risk – these are discussed in turn below.

#### **Price risk**

The Group's main customer for its mental health services is the National Health Service and any change in government policy resulting in a reduction in the fee rate received for the treatment of patients referred would constitute a risk to the Group. This has been a risk faced by the Group since it began to trade in 1991. Despite changes in the structure of NHS commissioning, the Group does not see the likelihood of any significant change in the close partnership between PiC and the NHS. The current government policy remains committed to the role of independent healthcare provision.

#### **Liquidity risk**

Liquidity risk is the risk that cash may not be available to pay obligations when they fall due. Cash forecasts identifying the liquidity requirements of the Group are produced frequently and are regularly reviewed to ensure that sufficient financial headroom exists for at least a 12-month period. The Group maintains banking facilities, which are long term, to mitigate any liquidity risk it may face.

#### **Interest rate risk**

The Group primarily finances its operations through a variety of bank borrowings, including syndicated bank facilities and the private debt markets. The Group's bank borrowings are denominated in sterling and are borrowed at floating interest rates. In light of the current and predicted future low LIBOR levels the Group's bank borrowings will remain unhedged.

#### **Credit risk**

Credit risk is the risk that a counterparty will be unable to pay amounts in full, when due. With over 90% of our customers being quasi government organisations, the default risk is low. Late payment risk is managed through focused collection activities, coupled with both cash clearance and outstanding debt targets.

## Partnerships in Care Group Limited

### Group strategic report (continued)

#### 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. Details of the Group's banking arrangements are set out in note 15 to the financial statements. The current bank arrangements were amended in 2011 and mature in July 2015.

The directors have reviewed the Group's position and future trading budgets and forecasts along with projections of future cash flows taking into account the banking arrangements. On the basis of this review the directors believe that the Group has significant headroom to the covenant levels contained in the amended banking arrangements and have adequate facilities to meet outgoing liabilities as they fall due; accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### Financial key performance indicators

The Group prepares detailed financial budgets and projections for all of its facilities and operations, against which actual performance is monitored.

These projections relate both to the operational performance of existing units and to capital projects, where emphasis is placed upon cost control and achievement of completion deadlines.

#### Quality and compliance with regulations

The Group operates in a highly regulated environment and its care facilities are registered by the Care Quality Commission (CQC) in England, Health Improvement Scotland (HIS) or the Healthcare Inspectorate Wales (HIW).

The quality of care provided by the Group and its compliance with regulation are monitored in a structured manner. The Director of Policy and Regulation regularly visits the Group's facilities to check compliance with the statutory standards of care. Care quality is also subject to continuous review by the senior managers and executive directors at regional, local and national level.

Senior managers and executive directors visit sites regularly and use dashboards supported by audits and local and regional scrutiny to maintain continuous review of care quality. The Group's management structure is one of accountable leadership with clear lines of accountability from ward and hospital level, through Regional Executive Directors located at the hospitals under their management, to the Group Chief Executive and the Board.

#### Position at the year end

At year-end 2013, the Group's performance met or exceeded all financial performance measures set by regulatory authorities as well as those set in terms of the Department of Health's Commissioning for Quality and Innovation (CQUIN) targets. The Group had 40 inspections from the regulatory bodies (CQC, HIW and HIS) throughout the year in which the majority of our hospitals proved their compliance to standards through positive reports.

This report was approved by the board on 31 March 2014 and signed on its behalf.



**Sarah Livingston**  
Company secretary

## **Partnerships in Care Group Limited**

### **Directors' responsibilities statement For the year ended 31 December 2013**

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 prepared the Group and parent Company 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 Group and the Company and 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 Company and 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 Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

## **Partnerships in Care Group Limited**

### **Independent auditors' report to the members of Partnerships in Care Group Limited**

We have audited the group and parent company financial statements (the "financial statements") of Partnerships in Care Group Limited for the year ended 31 December 2013 which comprises the Consolidated Profit and Loss Account, the Consolidated Statement of Total Recognised Gains and Losses, the Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Cash Flow Statement 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).

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

#### **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 the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements. 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 31 December 2013 and of the Group's loss and cash flows 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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



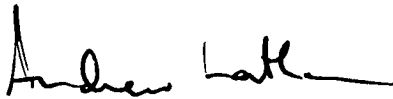
## **Partnerships in Care Group Limited**

### **Independent auditors' report to the members of Partnerships in Care Group Limited**

#### **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.



Andrew Latham (Senior statutory auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans

31 March 2014

## Partnerships in Care Group Limited

### Consolidated profit and loss account For the year ended 31 December 2013

	Note	2013 £000	2012 £000
<b>Turnover</b>	2	170,703	171,171
Cost of sales		(109,625)	(109,624)
		<hr/>	<hr/>
<b>Gross profit</b>		61,078	61,547
Administrative expenses		(28,540)	(29,805)
		<hr/>	<hr/>
<b>Operating profit</b>	3	32,538	31,742
Interest receivable and similar income		35	30
Interest payable and similar charges	7	(61,784)	(60,691)
Other finance expenses	8	(33)	(71)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		(29,244)	(28,990)
Tax on loss on ordinary activities	9	1,715	629
		<hr/>	<hr/>
<b>Loss for the financial year</b>	18	(27,529)	(28,361)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing operations.

There are no material differences between the loss on ordinary activities before taxation and the retained loss for the financial year stated above and their historical cost equivalents.

The notes on pages 13 to 30 form part of these financial statements.

## Partnerships in Care Group Limited

### Consolidated statement of total recognised gains and losses For the year ended 31 December 2013

	2013 £000	2012 £000
<b>Loss for the financial year</b>	(27,529)	(28,361)
Actuarial loss related to pension scheme	(2,939)	(1,287)
Deferred tax attributable to actuarial loss	683	315
	<hr/>	<hr/>
<b>Total recognised gains and losses relating to the year</b>	<u>(29,785)</u>	<u>(29,333)</u>

The notes on pages 13 to 30 form part of these financial statements.

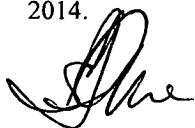
# Partnerships in Care Group Limited

Registered number: 05409563

## Consolidated balance sheet As at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
<b>Fixed assets</b>					
Tangible assets	10		454,844		457,113
<b>Current assets</b>					
Stocks	12	628		622	
Debtors	13	7,045		6,603	
Cash at bank and in hand		15,817		18,124	
		<u>23,490</u>		<u>25,349</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(13,306)</u>		<u>(15,621)</u>	
<b>Net current assets</b>			10,184		9,728
<b>Total assets less current liabilities</b>			<u>465,028</u>		<u>466,841</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(786,725)		(759,324)
<b>Provisions for liabilities</b>					
Deferred tax	16		<u>(2,559)</u>		<u>(4,147)</u>
<b>Net liabilities excluding pension scheme liability</b>			(324,256)		(296,630)
Pension liability	25		<u>(3,913)</u>		<u>(1,754)</u>
<b>Net liabilities</b>			<u><u>(328,169)</u></u>		<u><u>(298,384)</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		16,724		16,724
Profit and loss account	18		<u>(344,893)</u>		<u>(315,108)</u>
<b>Shareholders' deficit</b>	19		<u><u>(328,169)</u></u>		<u><u>(298,384)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2014.



**Simon Lane**  
Director

The notes on pages 13 to 30 form part of these financial statements.

# Partnerships in Care Group Limited

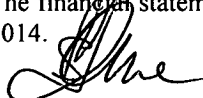
Registered number: 05409563

## Company balance sheet

As at 31 December 2013

	Note	£000	2013 £000	£000	2012 £000
<b>Current assets</b>					
Debtors	13	2,838		2,865	
Cash at bank and in hand		1		1	
		<u>2,839</u>		<u>2,866</u>	
<b>Creditors: amounts falling due within one year</b>	14	(921)		(921)	
<b>Net current assets</b>			<u>1,918</u>		<u>1,945</u>
<b>Total assets less current liabilities</b>			<u>1,918</u>		<u>1,945</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(1,358)		(1,235)
<b>Net assets</b>			<u>560</u>		<u>710</u>
<b>Capital and reserves</b>					
Called up share capital	17		16,724		16,724
Profit and loss account	18		(16,164)		(16,014)
<b>Shareholders' funds</b>	19		<u>560</u>		<u>710</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 March 2014.



**Simon Lane**  
Director

The notes on pages 13 to 30 form part of these financial statements.

## Partnerships in Care Group Limited

### Consolidated cash flow statement For the year ended 31 December 2013

	Note	2013 £000	2012 £000
Net cash flow from operating activities	20	41,199	41,026
Returns on investments and servicing of finance	21	(10,309)	(13,223)
Taxation		254	(500)
Capital expenditure and financial investment	21	(9,163)	(7,337)
<b>Cash inflow before financing</b>		<b>21,981</b>	<b>19,966</b>
Financing	21	(24,288)	(17,849)
<b>(Decrease)/Increase in cash in the year</b>		<b>(2,307)</b>	<b>2,117</b>

### Reconciliation of net cash flow to movement in net debt For the year ended 31 December 2013

	2013 £000	2012 £000
(Decrease)/Increase in cash in the year	(2,307)	2,117
Movement in borrowings	24,288	17,849
<b>Change in net debt resulting from cash flows</b>	<b>21,981</b>	<b>19,966</b>
Other non-cash changes	(51,689)	(48,336)
<b>Movement in net debt in the year</b>	<b>(29,708)</b>	<b>(28,370)</b>
Net debt at 1 January	(742,120)	(713,750)
<b>Net debt at 31 December</b>	<b>(771,828)</b>	<b>(742,120)</b>

The notes on pages 13 to 30 form part of these financial statements.

# Partnerships in Care Group Limited

## Notes to the financial statements For the year ended 31 December 2013

### 1. Accounting policies

#### 1.1 Basis of accounting

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### 1.2 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 on page 3. Details of the Group's banking arrangements are set out in note 15 to the financial statements. The current bank arrangements were amended in 2011 and mature in July 2015.

The directors have reviewed the Group's position and future trading budgets and forecasts along with projections of future cash flows taking into account the banking arrangements. On the basis of this review the directors believe that the Group has significant headroom to the covenant levels contained in the amended banking arrangements and have adequate facilities to meet outgoing liabilities as they fall due; accordingly they continue to adopt the going concern basis in preparing the annual report and financial statements.

#### 1.3 Basis of consolidation

The financial statements consolidate the financial statements of Partnerships in Care Group Limited and all of its subsidiary undertakings ('subsidiaries'). Intra-group sales and profits are eliminated fully on consolidation. All subsidiaries have adopted the Group accounting policies.

#### 1.4 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

#### 1.5 Tangible fixed assets and depreciation

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

Freehold property	-	over 50 years straight line
Plant & machinery	-	over 7 to 10 years straight line
Motor vehicles	-	over 4 years straight line
Fixtures & fittings	-	over 5 to 10 years straight line
Computer equipment	-	over 3 to 7 years straight line

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 1. Accounting policies (continued)

##### 1.6 Impairment of fixed assets

The carrying amounts of the Group's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its income-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit and loss account.

Impairment losses recognised in respect of income-generating units are allocated first to reduce the carrying amount of any goodwill allocated to income-generating units, then to any capitalised intangible asset and finally to the carrying amount of the tangible assets in the unit on a pro rata or more appropriate basis. An income generating unit is the smallest identifiable group of assets that generates income that is largely independent of the income streams from other assets or groups of assets.

The recoverable amount of fixed assets is the greater of their net realisable value and value in use. In assessing value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the rate of return expected on an equally risky investment. For an asset that does not generate largely independent income streams, the recoverable amount is determined for the income-generating unit to which the asset belongs.

##### 1.7 Capitalised fees

Fees incurred in arranging the Group's bank financing arrangements are capitalised and amortised to the profit and loss account over the remaining life of the bank loan.

##### 1.8 Operating leases

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

##### 1.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes direct purchase costs.

##### 1.10 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.

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.

##### 1.11 Pensions

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

The Group operates a defined benefits pension scheme and the pension charge is based on a full actuarial valuation dated 31 December 2010.



## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 1. Accounting policies (continued)

Pension scheme assets are measured using market values. Pension scheme liabilities are measured using a projected unit method and discounted at the current rate of return on a quality corporate bond of equivalent term and currency to the liability.

The pension scheme surplus (to the extent that it is recoverable) or deficit is recognised in full. The movement in the scheme surplus/deficit is split between operating charges, finance items and, in the statement of total recognised gains and losses, actuarial gains and losses.

#### 2. Turnover

The directors are of the opinion that the businesses of the Group are substantially similar in that they all relate to the provision of healthcare services, therefore there is only one class of business.

All turnover arose within the United Kingdom.

#### 3. Operating profit

The operating profit is stated after charging:

	2013 £000	2012 £000
Depreciation of tangible fixed assets:		
- owned by the Group	11,458	10,782
- held under finance leases	-	17
Operating lease rentals:		
- plant and machinery	489	489
- other operating leases	415	432
	<u>          </u>	<u>          </u>

#### 4. Auditors' remuneration

	2013 £000	2012 £000
Fees payable to the Company's auditors and its associates for the audit of the parent Company and Group financial statements	95	95
	<u>          </u>	<u>          </u>

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2013 £000	2012 £000
Wages and salaries	86,073	86,781
Social security costs	8,145	8,229
Other pension costs	2,010	2,043
	<u>96,228</u>	<u>97,053</u>

The average monthly number of full time equivalent persons, including the directors, employed by the Group during the year was as follows:

	2013 No.	2012 No.
Operations	2,747	2,845
Administration	432	331
	<u>3,179</u>	<u>3,176</u>

#### 6. Directors' remuneration

	2013 £000	2012 £000
Remuneration	<u>1,023</u>	<u>1,058</u>
Company pension contributions to defined contribution pension schemes	<u>31</u>	<u>16</u>
Compensation for loss of office	<u>-</u>	<u>213</u>

During the year retirement benefits were accruing to 2 directors (2012 - 2) in respect of defined contribution pension schemes.

During the year retirement benefits were accruing to 1 director (2012 - 1) in respect of defined benefit pension schemes.

The highest paid director received remuneration of £365,000 (2012 - £392,000).

The total accrued pension provision of the highest paid director at 31 December 2013 amounted to £34,000 (2012 - £31,000).

# Partnerships in Care Group Limited

## Notes to the financial statements For the year ended 31 December 2013

### 7. Interest payable and similar charges

	2013 £000	2012 £000
On bank loans and overdrafts	29,254	31,014
On other loans	32,528	29,676
On finance leases and hire purchase contracts	-	1
Other interest payable	2	-
	<u>61,784</u>	<u>60,691</u>

### 8. Other finance (expenses)/income

	2013 £000	2012 £000
Expected return on pension scheme assets (see note 25)	1,508	1,358
Interest on pension scheme liabilities (see note 25)	(1,541)	(1,429)
	<u>(33)</u>	<u>(71)</u>

### 9. Taxation

	2013 £000	2012 £000
<b>Analysis of tax credit in the year</b>		
Current tax (see note below)		
Adjustments in respect of prior years	(356)	(210)
	<u></u>	<u></u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,228)	(233)
Effect of decreased tax rate on opening liability	(524)	(363)
Adjustment in respect of prior years	393	177
	<u>(1,359)</u>	<u>(419)</u>
<b>Total deferred tax (see note 16)</b>		
	<u>(1,715)</u>	<u>(629)</u>

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 9. Taxation (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2012 - higher than) the standard rate of corporation tax in the UK of 23.2466% (2012 - 24.4973%). The differences are explained below:

	2013 £000	2012 £000
Loss on ordinary activities before tax	(29,244)	(28,990)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 23.2466% (2012 - 24.4973%)	(6,798)	(7,102)
<b>Effects of:</b>		
Depreciation for the year in excess of capital allowances	804	628
Utilisation of tax losses	810	(295)
Adjustments in respect of prior years	(356)	(210)
Short term timing difference leading to a (decrease)/increase in taxation	(47)	1,355
Expenses not deductible	5,231	5,414
<b>Current tax credit for the year (see note above)</b>	(356)	(210)

##### Factors that may affect future tax charges

The level of disallowable expenses and utilisation of tax losses carried forward will impact future tax charges.

Reductions in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) and to 23% (effective 1 April 2013) were substantively enacted on 26 March 2012 and 3 July 2012 respectively. Further reductions to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013.

This will reduce the Company's future current tax charge accordingly. The deferred tax liability at 31 December 2013 has been calculated based on the rate of 20% substantively enacted at the balance sheet date.

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 10. Tangible assets

Group	Freehold property £000	Plant & machinery £000	Motor vehicles £000	Fixtures & fittings £000	Computer equipment £000	Total £000
<b>Cost</b>						
At 1 January 2013	595,359	7,972	1,526	15,037	7,647	627,541
Additions	4,942	1,208	687	1,361	1,041	9,239
Disposals	(52)	(111)	(321)	(247)	(270)	(1,001)
At 31 December 2013	600,249	9,069	1,892	16,151	8,418	635,779
<b>Depreciation</b>						
At 1 January 2013	150,102	5,349	1,364	8,609	5,004	170,428
Charge for the year	7,733	723	154	1,960	888	11,458
Disposals	(47)	(111)	(321)	(222)	(250)	(951)
At 31 December 2013	157,788	5,961	1,197	10,347	5,642	180,935
<b>Net book value</b>						
At 31 December 2013	442,461	3,108	695	5,804	2,776	454,844
At 31 December 2012	445,257	2,623	162	6,428	2,643	457,113

#### 11. Principal subsidiaries

Company name	Country	Percentage Shareholding	Description
Partnerships in Care Holdings	England and Wales	100 %	Holding company for trading and property holding companies
Partnerships in Care Investments 1	England and Wales	100 %	Holding company for trading and property holding companies
Partnerships in Care Management	England and Wales	100 %	Holding company for trading companies
Partnerships in Care	England and Wales	100 %	Mental healthcare services
Oaktree Care Group	England and Wales	100 %	Mental healthcare services
Partnerships in Care Scotland	England and Wales	100 %	Mental healthcare services
Partnerships in Care Property Holding	England and Wales	100 %	Holding company for property companies
Partnerships in Care Property 1	England and Wales	100 %	Property holding company
Partnerships in Care Investments 2	England and Wales	97 %	Property holding company
Partnerships in Care Property 2	England and Wales	100 %	Property holding company
Partnerships in Care Property 3	England and Wales	100 %	Property holding company
Partnerships in Care Property 4	England and Wales	100 %	Property holding company
Partnerships in Care Property 5	England and Wales	100 %	Property holding company
Partnerships in Care Property 6	England and Wales	100 %	Property holding company
Partnerships in Care Property 7	England and Wales	100 %	Property holding company
Partnerships in Care Property 8	England and Wales	100 %	Property holding company
Partnerships in Care Property 9	England and Wales	100 %	Property holding company
Partnerships in Care Property 10	England and Wales	100 %	Property holding company
Partnerships in Care Property 11	England and Wales	100 %	Property holding company
Partnerships in Care Property 12	England and Wales	100 %	Property holding company
Partnerships in Care Property 13	England and Wales	100 %	Property holding company
Partnerships in Care Property 14	England and Wales	100 %	Property holding company
Partnerships in Care Property 15	England and Wales	100 %	Property holding company
Partnerships in Care Property 16	England and Wales	100 %	Property holding company

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 11. Principal subsidiaries (continued)

Company name	Country	Percentage Shareholding	Description
Partnerships in Care Property 17	England and Wales	100 %	Property holding company
Partnerships in Care Property 18	England and Wales	100 %	Property holding company
Partnerships in Care Property 19	England and Wales	100 %	Property holding company
Partnerships in Care Property 20	England and Wales	100 %	Property holding company
Partnerships in Care Property 21	England and Wales	100 %	Property holding company
Partnerships in Care Property 22	England and Wales	100 %	Property holding company
Partnerships in Care Property 23	England and Wales	100 %	Property holding company
Partnerships in Care Property 24	England and Wales	100 %	Property holding company
Partnerships in Care Property 25	England and Wales	100 %	Property holding company

Partnerships in Care Holdings is the only subsidiary directly held by the Company.

In the opinion of the directors the investments in and amounts due from the Company's subsidiary undertakings are worth at least the amounts at which they are stated in the balance sheet.

#### 12. Stocks

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Finished goods and goods for resale	628	622	-	-

#### 13. Debtors

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Trade debtors	2,695	3,247	-	-
Amounts owed by group undertakings	-	-	2,794	2,865
Other debtors	651	494	-	-
Prepayments and accrued income	3,699	2,862	44	-
	7,045	6,603	2,838	2,865

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

**14. Creditors:  
Amounts falling due within one year**

	<b>Group</b>		<b>Company</b>	
	2013	2012	2013	2012
	£000	£000	£000	£000
Other loans	920	920	920	920
Trade creditors	840	932	-	-
Other taxation and social security	2,564	2,651	-	-
Other creditors	1,450	1,347	1	1
Accruals and deferred income	7,532	9,771	-	-
	<u>13,306</u>	<u>15,621</u>	<u>921</u>	<u>921</u>

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

	<b>Group</b>		<b>Company</b>	
	2013	2012	2013	2012
	£000	£000	£000	£000
Debenture loans	354,075	321,887	1,358	1,235
Bank loans	455,104	473,032	-	-
Capitalised amounts	(22,454)	(35,595)	-	-
	<u>786,725</u>	<u>759,324</u>	<u>1,358</u>	<u>1,235</u>

Included within the above are amounts falling due as follows:

	<b>Group</b>		<b>Company</b>	
	2013	2012	2013	2012
	£000	£000	£000	£000
<b>Between one and two years</b>				
Bank loans	455,104	-	-	-
Capitalised amounts	(20,269)	-	-	-
<b>Between two and five years</b>				
Bank loans	-	473,032	-	-
Capitalised amounts	-	(33,069)	-	-
<b>Over five years</b>				
Debenture loans	354,075	321,887	1,358	1,235
Capitalised amounts	(2,185)	(2,526)	-	-

Included in capitalised amounts is an unamortised swap balance of £19,506,760 (2012 - £31,826,820) and capitalised fees of £2,947,543 (2012 - £3,768,148).

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 15. Creditors: Amounts falling due after more than one year (continued)

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>Group</b>		<b>Company</b>	
	2013	2012	2013	2012
	£000	£000	£000	£000
Repayable other than by instalments	351,890	319,361	1,358	1,235

Details of the Group's borrowings are set out below:

A bank loan of £25,844,806 (2012 - £29,337,286) is secured by way of a fixed legal charge over subsidiary companies assets, with an interest rate varying with LIBOR maturing in 2015.

A bank loan of £429,259,353 (2012 - £443,694,620) is secured by way of a fixed legal charge over subsidiary companies assets, with an interest rate varying with LIBOR maturing in 2015.

The Group had taken out an interest rate swap to hedge the interest rate on the Group's bank borrowings. As part of the amended financing arrangements agreed on 28 September 2011, the existing interest rate swap was capitalised and will be amortised to the profit and loss account over the remaining life of the bank loan until 2015.

A loan amounting to £920,000 (2012 - £920,000) at the year end from the majority shareholder which is interest free and repayable on demand.

Unsecured subordinated loan notes amounting to £352,716,882 (2012 - £320,651,529) at the year end due 2020 on which unsecured subordinated PIK notes due 2020 have been issued up to March 2011 to satisfy interest at 10% per annum. From April 2011 these loans have been accruing compound interest at 10% per annum.

Unsecured fixed rate loan notes amounting to £1,358,483 (2012 - £1,235,280) due 2020 with compound interest at 10% per annum.

#### 16. Deferred taxation

	<b>Group</b>		<b>Company</b>	
	2013	2012	2013	2012
	£000	£000	£000	£000
At beginning of year	4,147	4,650	-	-
Credit for the year	(1,359)	(419)	-	-
Movement in relation to defined benefit pension scheme	(229)	(84)	-	-
At end of year	2,559	4,147	-	-



## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 16. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	<b>Group</b>		<b>Company</b>	
	2013	2012	2013	2012
	£000	£000	£000	£000
Accelerated capital allowances	3,306	4,183	-	-
Tax losses carried forward	(697)	-	-	-
Short term timing differences	(50)	(36)	-	-
	<u>2,559</u>	<u>4,147</u>	<u>-</u>	<u>-</u>

There is unprovided deferred tax in respect of revaluation uplifts in the properties (upon acquisition) of £42,985,368 (2012 - £50,015,108).

There is unprovided deferred tax in respect of unpaid interest on the loans notes held by individuals of £3,571,308 (2012 - £4,107,004)

#### 17. Called up share capital

	2013	2012
	£000	£000
<b>Allotted, called up and fully paid</b>		
15,260,539 A Ordinary shares of £1 each	15,261	15,261
1,463,152 B Ordinary shares of £1 each	1,463	1,463
	<u>16,724</u>	<u>16,724</u>

#### 18. Reserves

<b>Group</b>	<b>Profit and loss account £000</b>
At 1 January 2013	(315,108)
Loss for the financial year	(27,529)
Pension reserve movement	(2,256)
	<u>(344,893)</u>
At 31 December 2013	

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 18. Reserves (continued)

	Profit and loss account £000
<b>Company</b>	
At 1 January 2013	(16,014)
Loss for the financial year	(150)
	<hr/>
At 31 December 2013	(16,164)
	<hr/> <hr/>

The closing balance on the profit and loss reserve includes a £3,913,000 (2012 - £1,754,000) debit, stated after deferred taxation of £978,000 (2012 - £524,000), in respect of pension scheme liabilities of the Group and Company pension scheme.

#### 19. Reconciliation of movement in shareholders' (deficit)/funds

	2013 £000	2012 £000
<b>Group</b>		
Opening shareholders' deficit	(298,384)	(269,051)
Loss for the financial year	(27,529)	(28,361)
Other recognised gains and losses during the year	(2,256)	(972)
	<hr/>	<hr/>
Closing shareholders' deficit	(328,169)	(298,384)
	<hr/> <hr/>	<hr/> <hr/>
<b>Company</b>		
Opening shareholders' funds	710	958
Loss for the financial year	(150)	(248)
	<hr/>	<hr/>
Closing shareholders' funds	560	710
	<hr/> <hr/>	<hr/> <hr/>

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 financial statements of the Company was £150,000 (2012 - £248,000).

#### 20. Net cash flow from operating activities

	2013 £000	2012 £000
Operating profit	32,538	31,742
Depreciation of tangible fixed assets	11,458	10,799
(Profit)/loss on disposal of tangible fixed assets	(26)	8
Increase in stocks	(6)	(15)
Increase in debtors	(340)	(1,193)
Decrease in creditors	(2,066)	(65)
Decrease in net pension assets/liabilities	(359)	(250)
	<hr/>	<hr/>
Net cash inflow from operating activities	41,199	41,026
	<hr/> <hr/>	<hr/> <hr/>

# Partnerships in Care Group Limited

## Notes to the financial statements For the year ended 31 December 2013

### 21. Analysis of cash flows for headings netted in cash flow statement

	2013 £000	2012 £000
<b>Returns on investments and servicing of finance</b>		
Interest received	35	30
Interest paid	(10,344)	(13,252)
Hire purchase interest	-	(1)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(10,309)</b>	<b>(13,223)</b>
	2013 £000	2012 £000
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(9,239)	(7,375)
Sale of tangible fixed assets	76	38
<b>Net cash outflow from capital expenditure</b>	<b>(9,163)</b>	<b>(7,337)</b>
	2013 £000	2012 £000
<b>Financing</b>		
Repayment of loans	(24,288)	(17,828)
Repayment of finance leases	-	(21)
<b>Net cash outflow from financing</b>	<b>(24,288)</b>	<b>(17,849)</b>

### 22. Analysis of changes in net debt

	1 January 2013 £000	Cash flow £000	Other non-cash changes £000	31 December 2013 £000
Cash at bank and in hand	18,124	(2,307)	-	15,817
<b>Debt:</b>				
Debts due within one year	(920)	24,288	(24,288)	(920)
Debts falling due after more than one year	(759,324)	-	(27,401)	(786,725)
<b>Net debt</b>	<b>(742,120)</b>	<b>21,981</b>	<b>(51,689)</b>	<b>(771,828)</b>

### 23. Contingent liabilities

The Company has a contingent liability to Cinven Limited for an amount of up to £10 million dependent on the repayment of certain debt facilities of the Group.

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 24. Capital commitments

At 31 December 2013 the Group and Company had capital commitments as follows:

	<b>Group</b>		<b>Company</b>	
	2013 £000	2012 £000	2013 £000	2012 £000
Contracted for but not provided in these financial statements	629	582	-	-

#### 25. Pension liability

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,833,174 (2012 - £1,329,788). Contributions totalling £201,728 (2012 - £97,397) were payable to the fund at the balance sheet date and are included in creditors.

The Group operates a defined benefits pension scheme.

The Group operates a defined benefits pension scheme in the UK, the Partnerships in Care Limited Pension and Life assurance Plan. The Plan was closed to new entrants from May 2005. Employed members continue to accrue benefits that are linked to final pensionable salary and service at retirement (or earlier date of leaving). The disclosures set out below are based on calculations carried out as at 31 December 2013 by a qualified independent actuary.

The assets are held in a separate trustee-administered fund to meet long-term pension liabilities to past and present employees. The trustees of the Plan are required to act in the best interest of the Plan's beneficiaries. The appointment of members of the trustee board is determined by the trust documentation.

The liabilities of the Plan are measured by discounting the best estimate of future cash flows to be paid out of the Plan using the projected unit method. This amount is reflected in the deficit in the balance sheet. The projected unit method is an accrued benefits valuation method in which the Plan's liabilities make allowance for projected earnings.

The liabilities set out in this note have been calculated based on the most recent full actuarial valuation at 31 December 2010, updated to 31 December 2013. The results of the calculations and the assumptions adopted are shown below.

As at 31 December 2013, contributions are payable to the Plan at the rates set out in the latest schedule of contributions. The total employer contributions expected to be made in the year commencing 1 January 2014 are at the rate of 18.6% of pensionable salaries plus £476,143 recovery plan contributions.

The amounts recognised in the Balance sheet are as follows:

	2013 £000	2012 £000
Present value of funded obligations	(38,167)	(33,726)
Fair value of scheme assets	33,276	31,448
Deficit in scheme	(4,891)	(2,278)
Related deferred tax asset	978	524
Net liability	(3,913)	(1,754)

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 25. Pension liability (continued)

The amounts recognised in profit or loss are as follows:

	2013 £000	2012 £000
Current service cost	(712)	(847)
Interest on obligation	(1,541)	(1,429)
Expected return on scheme assets	1,508	1,358
	<hr/>	<hr/>
Total	(745)	(918)
	<hr/>	<hr/>
Actual return on scheme assets	1,259	2,227
	<hr/>	<hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2013 £000	2012 £000
Opening defined benefit obligation	33,726	29,807
Current service cost	712	847
Interest cost	1,541	1,429
Contributions by scheme participants	212	256
Actuarial losses	2,690	2,156
Benefits paid	(714)	(769)
	<hr/>	<hr/>
Closing defined benefit obligation	38,167	33,726
	<hr/>	<hr/>

Changes in the fair value of scheme assets were as follows:

	2013 £000	2012 £000
Opening fair value of scheme assets	31,448	28,637
Expected return on assets	1,508	1,358
Actuarial (losses)/gains	(249)	869
Contributions by employer	1,071	1,097
Contributions by scheme participants	212	256
Benefits paid	(714)	(769)
	<hr/>	<hr/>
Closing fair value of scheme assets	33,276	31,448
	<hr/>	<hr/>

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of total recognised gains and losses was £4,549,000 (2012 - £1,610,000).

The Group expects to contribute £1,071,000 to its defined benefits pension scheme in 2014.

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 25. Pension liability (continued)

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013	2012
Equities	25.70 %	18.40 %
Gilts	14.20 %	17.50 %
Bonds	26.60 %	28.50 %
Property	- %	4.30 %
Real return fund	28.80 %	28.30 %
Cash	4.70 %	3.30 %

A weighted expected rate of return on assets is calculated by considering the scheme's specific asset distribution. The expected rate of return on assets has been calculated as 5.2% pa by considering the following rates of expected return on the individual asset classes at 31 December 2013 (31 December 2012 - 5.0% pa). The rates are assumed to be net of investment expenses.

The long term historic out performance of "equities" over very long-term gilts has resulted in the rate used being 6.5% pa (31 December 2012 - 6.5% pa).

For "gilts", from considering the yields currently available on 15 year fixed gilts, the rate used is 3.4% pa (31 December 2012 - 2.3% pa).

For "bonds", from considering consistency with the discount rate, which is linked to the yields available on corporate bonds, the rate used is 4.5% pa (31 December 2012 - 4.5% pa).

The "real return fund" rate used is 6.5% pa (31 December 2012 - 6.5%).

For "cash", having regard to the current Bank of England base rate, the rate used is 0.5% pa (31 December 2012 - 0.5% pa).

Principal actuarial assumptions at the balance sheet date were:

	2013	2012
Rate of increase in salaries as inflation	3.60 %	3.20 %
Rate of increase in salaries as inflation, subject to 2% cap	2.00 %	2.00 %
Rate of increase of pensions in payment - CPI (max 3%)	2.90 %	2.50 %
Rate of increase of pensions in payment - RPI (max 5%)	3.60 %	3.20 %
Rate of increase of pensions in payment - CPI (max 5%)	2.90 %	2.50 %
RPI inflation assumption	3.60 %	3.20 %
Cash commutation as a percentage of pension at retirement	12.50 %	12.50 %
CPI inflation assumption	2.90 %	2.50 %
Discount rate	4.50 %	4.50 %
Expected return on scheme assets	5.20 %	5.00 %
Mortality	SINA BMC 1% floor	SINA BMC 1% floor

The UK government has announced that, in future, it will use the Consumer Prices Index (CPI), rather than the Retail Prices Index (RPI), for the statutory increases to pensions in payment and deferred pensions.

In preparing these financial statements, scheme benefits which are subject to revaluation in deferment (in excess of Guaranteed Minimum Payments (GMP)) have been indexed in line with CPI (subject to a cap of 5% pa on pension accruing up to 6 April 2009 and a cap of 2.5% on pension accruing thereafter).

Any GMP that is subject to statutory indexation in payment will be indexed in line with CPI (and subject to a cap of 3% pa).

That part of each pension which was earned for pensionable service prior to 6 April 1997 will be indexed in

## Partnerships in Care Group Limited

### Notes to the financial statements For the year ended 31 December 2013

#### 25. Pension liability (continued)

payment in line with RPI (subject to a cap of 5% pa).

That part of each pension which was earned for pensionable service after 6 April 1997 will be indexed in payment in line with RPI (subject to a cap of 5% pa).

Amounts for the current and previous four years are as follows:

##### Defined benefit pension schemes

	2013 £000	2012 £000	2011 £000	2010 £000	2009 £000
Defined benefit obligation	(38,167)	(33,726)	(29,807)	(28,150)	(26,467)
Scheme assets	33,276	31,448	28,637	27,177	24,228
Deficit	<u>(4,891)</u>	<u>(2,278)</u>	<u>(1,170)</u>	<u>(973)</u>	<u>(2,239)</u>
Experience adjustments on scheme liabilities	101	217	1,637	-	(3,024)
Experience adjustments on scheme assets	<u>(249)</u>	<u>869</u>	<u>(580)</u>	<u>1,211</u>	<u>1,251</u>

#### 26. Operating lease commitments

At 31 December 2013 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
Group	2013 £000	2012 £000	2013 £000	2012 £000
Expiry date:				
Within 1 year	38	53	38	51
Between 2 and 5 years	<u>364</u>	<u>364</u>	<u>407</u>	<u>475</u>

#### 27. Related party transactions

##### Transactions with directors

Kevin Beeston, a director, holds 22,000 A Ordinary shares (2012 - 22,000 A Ordinary shares) in the Company.

##### Transactions with Cinven

###### Group:

Funds under the management of Cinven Limited have invested in two subordinated loan notes totalling £352,716,682 (2012 - £320,651,529). During the year interest amounting to £32,065,153 (2012 - £29,222,725) was rolled into these loan notes.

The same Cinven funds have invested in two other loan notes totalling £646,757 (2012 - £587,511). During the year interest amounting to £58,994 (2012 - £53,410) was rolled into these loan notes.

Funds under the management of Cinven Limited have invested in an unsecured fixed rate loan of £920,000 (2012 - £920,000).

## **Partnerships in Care Group Limited**

### **Notes to the financial statements For the year ended 31 December 2013**

#### **27. Related party transactions (continued)**

Cinven Limited charged a monitoring fee during the year amounting to £300,000 (2012 - £300,000).

Company:

Funds under the management of Cinven Limited have invested in an unsecured fixed rate loan of £920,000 (2012 - £920,000).

The same Cinven funds have invested in two loan notes totalling £646,757 (2012 - £587,511). During the year interest amounting to £58,994 (2012 - £53,410) was rolled into these loan notes.

Details of interest rates and security can be found in note 15.

#### **28. Controlling party**

The immediate and ultimate parent entity is PIC Investments Limited Partnership Incorporated, a limited partnership established and existing under the laws of Guernsey.

The directors are of the opinion that Cinven Limited is the controlling party. Funds managed by Cinven Limited have a 100% interest in the ultimate parent company. Cinven Limited is incorporated in England and Wales with registered offices at Warwick Court, Paternoster Square, London EC4M 7AG.