

**Elysium Healthcare (Ultimate Care)
Limited (Formerly St George
Ultimate Care Limited)**

Annual Report and Financial Statements

Year Ended

31 March 2018

Company Number 05715862

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Elysium Healthcare (Ultimate Care) Limited

Company Information

Directors	L J Chamberlain Q S M Haque S J Woolgar
Company secretary	S J Livingston
Registered number	05715862
Registered office	2 Imperial Place Maxwell Road Borehamwood Hertfordshire WD6 1JN
Independent auditor	BDO LLP 3 Hardman Street Manchester M3 3AT

Elysium Healthcare (Ultimate Care) Limited

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Elysium Healthcare (Ultimate Care) Limited

Group Strategic Report For the Year Ended 31 March 2018

The Directors present their Strategic Report for the year ended 31 March 2018.

Principal activity

The principal activity of the Company during the year was to act as a holding company. The principal activities of the group of companies owned by Elysium Healthcare (Ultimate Care) Limited ('the Group') are the provision of mental health services, including acute and secure services predominantly to the National Health Service ('NHS') in England.

Business review

Revenue for the year to 31 March 2018 totalled £20.3 million (2017: £19.8 million) and arose predominantly from provision of mental health services to the patients for either NHS England or Clinical Commissioning Groups ("CCGs"). At the end of the year the Group had 104 (2017: 100) beds available with an average occupancy of 88% (2017: 94%) over the period.

Gross margin for the Group for the period was 55.5% (2017: 56.1%) and is stated after all the hospital operating costs including staff and specialist costs. As seen across the care sector, the utilisation of agency and bank staff has increased, in part due to increasing special duty nursing services provided to our patients but management are continuously monitoring the cost base to ensure the effective use of the Group's resources.

The Group has made a loss of £0.95m (2017: £1.9m profit) for the year arising due to a one off impairment of the Milton Hall site at Brompton of £2.5m. This occurred due to an independent valuation deeming the planning approvals for the hospital no longer had any value, as the NHS is currently experiencing surplus of supply of hospitals and not offering any further funding to new sites.

There has been significant capital expenditure during the year for the Group of £5.7m predominantly arising due to the continued development of the Victoria Gardens site and some extension work at St Mary's Hospital.

A bank covenant was breached during the year with no waiver from the bank being issued at year end. This has led to the entire bank loan of £29.1m being treated as a current liability, as it is payable on demand to the bank. Subsequent to year end as part of the acquisition by Elysium on 13th of September, the bank loan was fully repaid.

Principal risks and uncertainties

The most fundamental risks faced by the group are:

Regulatory risks

The results of the Group are subject to the regulatory environment related to health and safety, quality of care, the storage and distribution of controlled drugs and medicines, the disposal of hazardous waste and data protection, principally through the costs related to compliance. The Group's sites are subject to regular review by the Care Quality Commission ('CQC') and the Health Inspectorate Wales and could be closed if compliance with their guidelines cannot be demonstrated. As a leading provider of mental health services in the United Kingdom, the Group is well placed to respond to and comply with regulatory changes through dedicated regulatory and compliance teams.

The Group receives, generates and stores volumes of personal data containing patients' personal and medical information. The Group is therefore subject to the privacy laws with respect to the use, transfer and disclosure of this data. A failure to adequately safeguard confidential patient information could result in significant fines, penalties and litigation.

Elysium Healthcare (Ultimate Care) Limited

Group Strategic Report (continued) For the Year Ended 31 March 2018

Principal risks and uncertainties (continued)

NHS & CCG contracts

The NHS and CCG contracts under which the Group operate are relatively standard and subject to annual review with each body. These provide clear benefits to the Group, both in terms of income stability and visibility. However, as with any system, there could be modifications, potentially through the introduction of a new contract structure or the services that are sought by the NHS or CCGs from service providers. The extent of any such modifications could have a favourable or adverse impact on the Group. However, the Group maintains a close dialogue with the both the NHS and the Government in developing care programmes so that appropriate changes to the Group's services can be made in a timely manner.

Doctors, Clinicians and other qualified staff

The Group requires skilled doctors, psychologists, clinicians and nurses in order to care for its growing patient base. The expansion of the European Union ('EU') over recent years has increased the supply of clinicians and other qualified staff available to the Group. The Directors recognise the importance of quality doctors, clinicians for ensuring the continued success of the Group. The Group manages the risk associated with the supply of doctors, clinicians and nurses through training and development programmes to enhance retention and a recruitment strategy to ensure that the growth in patient numbers can be treated. The UK's decision to withdraw from membership of the EU may impact the supply of doctors and clinicians in the future but the Group has active plans to limit this impact and continues to monitor developments.

The Group continues to invest in improving pay structures and incentivisation for nurses and other clinical staff and continues to review the impact of changes resulting from the introduction of the Apprenticeship Levy and future increases to the National Living Wage upon its staffing structures.

Financial risk management

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's activities expose it to a variety of financial risks: credit risk, liquidity risk, market (including currency and interest rate risk) and inflation risk.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls to monitor both the risks and adherence to limits set. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Inflation risk

Inflation risk is the risk that the cost of key services and products procured by the Group will rise with inflation and affect the Group's income. The rates paid under the terms of the Group's NHS contracts are generally reviewed on an annual basis and, over the course of the past few years, the annual uplifts have typically been lower than the rate of both RPI and CPI.

The Group undergoes a regular review of key suppliers through its procurement programme to mitigate cost increases, using tendering processes where possible. In addition, the Group seeks to rationalise its supplier base to benefit from its scale.

Elysium Healthcare (Ultimate Care) Limited

Group Strategic Report (continued) For the Year Ended 31 March 2018

Key performance indicators - financial and non-financial

The KPIs set out in the table below are fundamental to the business and reflect focus on the drivers of value that will enable and inform the management team to achieve the business plans, strategic aims and objectives.

	2018	2017
Revenue	20,274,927	19,825,259
Operating profit	919,599	3,457,983
Gross profit margin	55.5%	56.1%
Number of operating sites	3	3
Available beds	104	100
Occupancy	88.1%	93.9%
Number of sites under development	1	1

Further details of the KPIs shown above are discussed in the Business review of the Strategic Report.

Subsequent events

On 13th September 2018, the entire share capital of Ultimate Care Limited was acquired by Elysium Healthcare, which operates as a specialised provider of mental health services predominantly to the National Health Service.

Following a group reorganisation prior to acquisition, the acquired entities consisted of Elysium Healthcare (Ultimate Care) Limited and its 100% owned subsidiaries being Elysium Healthcare (St Mary's) Limited, Elysium Healthcare (All Saints) Limited and Focus On Care Recruitment Limited.

As a result of the acquisition, all pre-existing debt in the Group, including intercompany liabilities with entities not acquired by Elysium Healthcare, was extinguished by part of the total consideration.

On 28th November 2018 Elysium Healthcare Holdings 3 Limited completed the purchase of 100% of the issued share capital of St George Healthcare Limited.

St George Care UK Limited including St Cyril's Rehabilitation Centre and the Milton Hall Development and St George's Healthcare Group Limited remained under the control of the previous owners. Further details are set out in note 27 to the accounts.

Going concern

Following the acquisition by Elysium Healthcare Holdings 3 Limited, the Group meets its day to day working capital requirements through internally generated cash and its banking facilities. The Group's forecasts and projections, taking account of reasonable possible changes in trading performance, show that the Group expect to be able to operate within the level of its current facilities. After making enquiries the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis preparing its financial statements.

Further details of the exceptional items shown on the face of the consolidated statement of comprehensive income are stated in note 11.

Elysium Healthcare (Ultimate Care) Limited

**Group Strategic Report (continued)
For the Year Ended 31 March 2018**

This report was approved by the board on 20/12/18 and signed on its behalf.



L.J. Chamberlain
Director

Elysium Healthcare (Ultimate Care) Limited

Directors' Report For the Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

On the 17th September the Company changed its name from St George Ultimate Care Limited to Elysium Healthcare (Ultimate Care) Limited.

Results and dividends

The loss for the year, after taxation, amounted to £949,867 (2017 - profit £1,907,109).

Directors

The directors who served during the year were:

H Elnarshy-fouad (resigned 13 September 2018)

N M Fouad (resigned 13 September 2018)

The following Directors were appointed post year end:

L J Chamberlain (appointed 13 September 2018)

Q S M Haque (appointed 13 September 2018)

M Robson (appointed 13 September 2018 and resigned 30 November 2018)

S J Woolgar (appointed 13 September 2018)

Charitable and political contributions

During the financial year the Group made charitable donations of £453,436 (2017 - £895,275). The donations were made to St Mina Charity, St Marks Universal Copts Care, Manchester Mind, Macmillan Cancer Support and Clatterbridge Hospital. The directors are trustees of St Marks Universal Copts Care.

There were no political donations during the financial year (2017 - £Nil).

Future developments

Whilst the market continues to be challenging with pressures on NHS funding, the Directors believe that the Group continues to be well positioned to take advantage of further opportunities.

The Hospital under development at Victoria Gardens was finalised post year end, and will be opened for business in the near future.

Employee involvement

The Group maintains a policy of regular consultation and discussion with its employees on a wide range of issues that are likely to affect their interests and ensure that all employees are given regular updates of the performance of their business units and of the Group as a whole.

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 adjustment to accommodate their disability.

Elysium Healthcare (Ultimate Care) Limited

Directors' Report (continued) For the Year Ended 31 March 2018

Directors' indemnity provisions

The Group maintained throughout the year, and at the date of approval of the financial statements, liability insurance for its directors and officers. This is a qualifying provision for the purposes of the Companies Act 2006.

Matters covered in the strategic report

Disclosures required under S416(4) of the Companies Act 2006 are commented upon in the Strategic Report as the directors consider them to be of strategic importance to the company.

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

Post balance sheet events

As disclosed in the Group Strategic Report, on 13th September 2018, the Parent Company together with its subsidiary undertakings St Mary's Hospital Limited, All Saints Hospital Limited and Focus on Care Recruitment Limited were acquired by Elysium Healthcare Holdings 3 Limited. Further details on a Group re-organisation before completion of the purchase is set out in note 27 to the accounts.

Auditor

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

This report was approved by the board on 20/12/18 and signed on its behalf.



L J Chamberlain
Director

Elysium Healthcare (Ultimate Care) Limited

Directors' Responsibilities Statement For the Year Ended 31 March 2018

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Elysium Healthcare (Ultimate Care) Limited

Independent Auditor's Report to the Members of Elysium Healthcare (Ultimate Care) Limited (formerly St George Ultimate Care Limited)

Opinion

We have audited the financial statements of Elysium Healthcare (Ultimate Care) Limited (formerly St George Ultimate Care Limited) ("the Company") and its subsidiaries ("the Group") for the year ended 31 March 2018 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statement of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 March 2018 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group or the Parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Elysium Healthcare (Ultimate Care) Limited

Independent Auditor's Report to the Members of Elysium Healthcare (Ultimate Care) Limited (formerly St George Ultimate Care Limited) (continued)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Director's Report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; and
- we have not received all the information and explanations we require for our audit.

Elysium Healthcare (Ultimate Care) Limited

Independent Auditor's Report to the Members of Elysium Healthcare (Ultimate Care) Limited (formerly St George Ultimate Care Limited) (continued)

Responsibilities of directors

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, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Steven Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester
United Kingdom

Date: 21/12/2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Elysium Healthcare (Ultimate Care) Limited

**Consolidated Statement of Comprehensive Income
For the Year Ended 31 March 2018**

	Note	2018 £	As restated 2017 £
Turnover	4	20,274,927	19,825,259
Cost of sales		(9,031,269)	(8,712,752)
Gross profit		11,243,658	11,112,507
Administrative expenses		(7,861,234)	(7,654,524)
Exceptional administrative expenses		(2,462,825)	-
Operating profit	5	919,599	3,457,983
Interest payable and expenses	8	(1,178,500)	(998,524)
(Loss)/profit before taxation		(258,901)	2,459,459
Tax on (loss)/profit	9	(690,966)	(552,350)
(Loss)/profit for the financial year		(949,867)	1,907,109
(Loss)/profit for the year attributable to:			
Owners of the parent company		(949,867)	1,907,109

There was no other comprehensive income for 2018 (2017:£NIL).

Details of the prior year adjustment are disclosed in note 23.

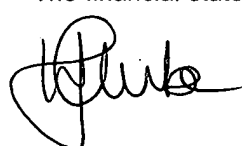
The notes on pages 17 to 35 form part of these financial statements.

Elysium Healthcare (Ultimate Care) Limited
Company number: 05715862

Consolidated Statement of Financial Position
As at 31 March 2018

	Note	2018 £	As restated 2017 £
Fixed assets			
Intangible assets	12	108,697	120,775
Tangible assets	13	40,117,215	37,491,268
		<u>40,225,912</u>	<u>37,612,043</u>
Current assets			
Debtors: amounts falling due within one year	15	2,508,796	2,018,122
Cash at bank and in hand		1,149,976	2,280,733
		<u>3,658,772</u>	<u>4,298,855</u>
Creditors: amounts falling due within one year	16	(32,396,648)	(3,878,642)
Net current (liabilities)/assets		<u>(28,737,876)</u>	<u>420,213</u>
Total assets less current liabilities		<u>11,488,036</u>	<u>38,032,256</u>
Creditors: amounts falling due after more than one year	17	(6,699,077)	(32,313,665)
Provisions for liabilities			
Deferred taxation	20	(353,177)	(332,942)
Other provisions		(10,750)	(10,750)
		<u>(363,927)</u>	<u>(343,692)</u>
Net assets		<u><u>4,425,032</u></u>	<u><u>5,374,899</u></u>
Capital and reserves			
Called up share capital	21	200	200
Share premium account	22	5,385,522	5,385,522
Profit and loss account	22	(960,690)	(10,823)
Equity attributable to owners of the parent company		<u><u>4,425,032</u></u>	<u><u>5,374,899</u></u>

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



L J Chamberlain
Director

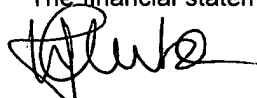
The notes on pages 17 to 35 form part of these financial statements.

Elysium Healthcare (Ultimate Care) Limited
Company number: 05715862

Company Statement of Financial Position
As at 31 March 2018

	Note	2018 £	As restated 2017 £
Fixed assets			
Investments	14	18,907,156	18,907,156
		<u>18,907,156</u>	<u>18,907,156</u>
Current assets			
Debtors: amounts falling due within one year	15	780,358	322,215
Cash at bank and in hand		4,990	259,034
		<u>785,348</u>	<u>581,249</u>
Creditors: amounts falling due within one year	16	(9,252,409)	(8,245,422)
Net current liabilities		<u>(8,467,061)</u>	<u>(7,664,173)</u>
Total assets less current liabilities		<u>10,440,095</u>	<u>11,242,983</u>
Creditors: amounts falling due after more than one year	17	(6,699,077)	(6,699,077)
Net assets		<u><u>3,741,018</u></u>	<u><u>4,543,906</u></u>
Capital and reserves			
Called up share capital	21	200	200
Share premium account	22	5,385,522	5,385,522
Profit and loss account brought forward		(841,816)	(600,285)
Loss/(profit) for the year		(802,888)	1,758,469
Other changes in the profit and loss account		-	(2,000,000)
Profit and loss account carried forward		<u>(1,644,704)</u>	<u>(841,816)</u>
		<u><u>3,741,018</u></u>	<u><u>4,543,906</u></u>

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



L J Chamberlain
Director

20/12/18

The notes on pages 17 to 35 form part of these financial statements.

Elysium Healthcare (Ultimate Care) Limited

**Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017 (as previously stated)	200	5,385,522	175,824	5,561,546
Prior year adjustment (see note 23)	-	-	(186,647)	(186,647)
At 1 April 2017 (as restated)	200	5,385,522	(10,823)	5,374,899
Comprehensive income for the year				
Loss for the year	-	-	(949,867)	(949,867)
Total comprehensive income for the year	-	-	(949,867)	(949,867)
Contributions by and distributions to owners				
At 31 March 2018	200	5,385,522	(960,690)	4,425,032

**Consolidated Statement of Changes in Equity
For the Year Ended 31 March 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016 (as previously stated)	200	5,385,522	369,563	5,755,285
Prior year adjustment (see note 23)	-	-	(287,495)	(287,495)
At 1 April 2016 (as restated)	200	5,385,522	82,068	5,467,790
Comprehensive income for the year				
Profit for the year	-	-	1,907,109	1,907,109
Total comprehensive income for the year	-	-	1,907,109	1,907,109
Dividends: Equity capital	-	-	(2,000,000)	(2,000,000)
Total transactions with owners	-	-	(2,000,000)	(2,000,000)
At 31 March 2017	200	5,385,522	(10,823)	5,374,899

The notes on pages 17 to 35 form part of these financial statements.

Elysium Healthcare (Ultimate Care) Limited

**Company Statement of Changes in Equity
For the Year Ended 31 March 2018**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	200	5,385,522	(841,816)	4,543,906
Comprehensive income for the year				
Loss for the year	-	-	(802,888)	(802,888)
	-	-	(802,888)	(802,888)
Total comprehensive income for the year				
	-	-	(802,888)	(802,888)
At 31 March 2018	200	5,385,522	(1,644,704)	3,741,018

**Company Statement of Changes in Equity
For the Year Ended 31 March 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016 (as previously stated)	200	5,385,522	(582,790)	4,802,932
Prior year adjustment (see note 23)	-	-	(17,495)	(17,495)
At 1 April 2016 (as restated)	200	5,385,522	(600,285)	4,785,437
Comprehensive income for the year				
Profit for the year	-	-	1,758,469	1,758,469
	-	-	1,758,469	1,758,469
Total comprehensive income for the year				
	-	-	1,758,469	1,758,469
Dividends: Equity capital	-	-	(2,000,000)	(2,000,000)
	-	-	(2,000,000)	(2,000,000)
Total transactions with owners				
	-	-	(2,000,000)	(2,000,000)
At 31 March 2017	200	5,385,522	(841,816)	4,543,906

The notes on pages 17 to 35 form part of these financial statements.

Elysium Healthcare (Ultimate Care) Limited

**Consolidated Statement of Cash Flows
For the Year Ended 31 March 2018**

	2018 £	2017 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(949,867)	1,907,109
Adjustments for:		
Amortisation of intangible assets	12,078	12,078
Depreciation of tangible assets	620,320	540,536
Impairments of fixed assets	2,462,825	-
Interest charge	1,178,500	998,524
Taxation charge	690,966	552,350
(Increase)/decrease in debtors	(500,902)	2,065,226
Increase/(decrease) in creditors	436,801	(359,881)
Increase in provisions	-	10,750
Corporation tax (paid)	(613,378)	(631,133)
Net cash generated from operating activities	3,337,343	5,095,559
Cash flows from investing activities		
Purchase of tangible fixed assets	(5,532,599)	(1,667,633)
Net cash from investing activities	(5,532,599)	(1,667,633)
Cash flows from financing activities		
New/(repayment) of bank loans	2,031,689	(539,866)
Dividends paid	-	(2,000,000)
Interest paid	(632,827)	(721,365)
Loan note interest paid	(334,363)	(232,636)
Net cash used in financing activities	1,064,499	(3,493,867)
Net (decrease) in cash and cash equivalents	(1,130,757)	(65,941)
Cash and cash equivalents at beginning of year	2,280,733	2,346,674
Cash and cash equivalents at the end of year	1,149,976	2,280,733
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,149,976	2,280,733

The notes on pages 17 to 35 form part of these financial statements.

Elysium Healthcare (Ultimate Care) Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

1. General information

Elysium Healthcare (Ultimate Care) Limited (formerly St George Ultimate Care Limited) is a company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company Information page. The nature of the company's operations and its principal activities are outlined in the Strategic Report.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

Parent disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent as their remuneration is included in the totals for the company as a whole.

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The following principal accounting policies have been applied:

Elysium Healthcare (Ultimate Care) Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of group and its own subsidiaries ("the group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 April 2014.

2.3 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 review of the business in the Strategic Report.

The group meets its day to day working capital requirements through a bank loan. Subsequent to year end as part of the acquisition by Elysium on 13th of September, the bank loan was fully repaid.

The group's forecasts and projections which take into account reasonably possible changes in trading performance show that the company will be able to operate comfortably within the level of the renewed facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

As a result of the change in ownership post year end of Elysium Healthcare (Ultimate Care) Limited disclosed in note 28, the ultimate parent undertaking Elysium Healthcare Holdings 2 Limited will now provide financial support to the business if and when it is required. A letter of support was obtained from the ultimate parent undertaking to confirm this support.

2.4 Turnover

Turnover comprises of services provided during the year, including bed fees and observations and is stated net of VAT, and is recognised at the point of service delivery.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable.

2.5 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

2.6 Borrowing costs

Borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred except for issue costs which are capitalised and amortised over the term of the related loan.

Elysium Healthcare (Ultimate Care) Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Operating leases: lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.9 Goodwill

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the group's share of its identifiable assets and liabilities at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life, which is considered to be 10 years.

2.10 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses.

Assets under construction are stated at historic cost. No depreciation is charge until the assets are complete and ready for use.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold and leasehold property - 2% per annum
Fixtures, fittings and equipment - 10% - 33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Elysium Healthcare (Ultimate Care) Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

2. Accounting policies (continued)

2.11 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Debtors

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

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.15 Financial instruments

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and amounts due from fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and amounts due to fellow group companies are initially recognised at transaction price, unless the arrangement constitutes a

Elysium Healthcare (Ultimate Care) Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

2. Accounting policies (continued)

2.15 Financial instruments (continued)

financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost using the effective interest method.

2.16 Creditors

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

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.18 Pensions

The group operates a defined contribution plan for its employees. The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the group in independently administered funds.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantially enacted by the reporting date.

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

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The deferred tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

Elysium Healthcare (Ultimate Care) Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

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

In preparing these financial statements, the Directors have made the following judgements:

- Determine whether there are indicators of impairment of the Group's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (note 13)
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Group.

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	620,320	540,536
Exceptional item - impairment of tangible fixed assets	(2,462,825)	-
Amortisation of intangible assets, including goodwill	12,078	12,078
Fees payable to the Group's auditor and its associates for the audit of the company's annual financial statements	31,050	34,200
Fees payable to the Groups's auditor for other services	13,000	11,400
Other operating lease rentals - plant and machinery	42,654	50,165
Defined contribution pension cost	141,172	119,965

Elysium Healthcare (Ultimate Care) Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

6. Employees

Staff costs were as follows:

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Wages and salaries	9,460,812	8,712,633	-	-
Social security costs	797,556	736,963	-	-
Cost of defined contribution scheme	141,172	119,965	-	-
	<u>10,399,540</u>	<u>9,569,561</u>	<u>-</u>	<u>-</u>

There were no staff costs in the parent company (2017: £Nil).

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

	2018 No.	2017 No.
Directors	2	2
Clinical staff	480	458
Non clinical staff	172	157
	<u>654</u>	<u>617</u>

There were no employees in the parent company (2017: Nil).

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	159,600	150,000
Company contributions to defined contribution pension schemes	391	365
	<u>159,991</u>	<u>150,365</u>

8. Interest payable and similar expenses

	2018 £	2017 £
Interest payable on loan notes	334,363	325,115
Interest payable on bank loans	844,137	673,409
	<u>1,178,500</u>	<u>998,524</u>

Elysium Healthcare (Ultimate Care) Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	509,054	579,103
Adjustments in respect of previous periods	161,677	(147)
Total current tax	<u>670,731</u>	<u>578,956</u>
Deferred tax		
Origination and reversal of timing differences	12,377	(7,140)
Changes to tax rates	7,858	(20,004)
Adjustment in respect of previous periods	-	538
Total deferred tax	<u>20,235</u>	<u>(26,606)</u>
Taxation on (loss)/profit on ordinary activities	<u>690,966</u>	<u>552,350</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
(Loss)/profit on ordinary activities before tax	<u>(258,901)</u>	<u>2,459,459</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	<u>(49,191)</u>	<u>529,221</u>
Effects of:		
Non-tax deductible amortisation of goodwill	-	2,415
Expenses not deductible for tax purposes	537,021	5,600
Income not taxable for tax purposes	(12,456)	-
Adjustments to tax charge in respect of prior periods	161,677	391
Change in tax rates on deferred tax balances	7,858	(18,742)
Other differences leading to an increase in the tax charge	(1,456)	24,161
Other fixed asset timing differences	47,513	9,304
Total tax charge for the year	<u>690,966</u>	<u>552,350</u>

Elysium Healthcare (Ultimate Care) Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

9. Taxation (continued)

Factors that may affect future tax charges

Reductions in UK Corporation tax rate from 20% to 17% (19% effective from 1 April 2017 and 17% effective from 1 April 2020) have been substantively enacted. This will impact the Group's future tax charge accordingly.

10. Dividends

	2018 £	2017 £
Dividends paid in the year: £Nil (2017: £10,000 per share)	-	2,000,000

11. Exceptional items

	2018 £	2017 £
Impairment of freehold land & buildings	2,462,825	-

There was an impairment of the Milton Hall site at Brampton. This occurred due to an independent valuation deeming the planning approvals for the hospital no longer had any value, as the NHS is currently experiencing surplus of supply of hospitals and not offering any further funding to new sites.

Elysium Healthcare (Ultimate Care) Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

12. Intangible assets

Group

	Goodwill £
Cost	
At 1 April 2017	216,412
At 31 March 2018	<u>216,412</u>
Amortisation	
At 1 April 2017	95,637
Charge for the year	12,078
At 31 March 2018	<u>107,715</u>
Net book value	
At 31 March 2018	<u>108,697</u>
At 31 March 2017	<u>120,775</u>

Elysium Healthcare (Ultimate Care) Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

13. Tangible fixed assets

Group

	Land & buildings £	Assets under construction £	Fixtures, fittings and equipment £	Total £
Cost				
At 1 April 2017	36,254,145	1,624,219	2,498,592	40,376,956
Additions	1,333,174	3,973,436	402,482	5,709,092
At 31 March 2018	<u>37,587,319</u>	<u>5,597,655</u>	<u>2,901,074</u>	<u>46,086,048</u>
Depreciation				
At 1 April 2017	1,241,133	-	1,644,555	2,885,688
Charge for the year on owned assets	365,414	-	254,906	620,320
Impairment charge (see note 11)	2,462,825	-	-	2,462,825
At 31 March 2018	<u>4,069,372</u>	<u>-</u>	<u>1,899,461</u>	<u>5,968,833</u>
Net book value				
At 31 March 2018	<u>33,517,947</u>	<u>5,597,655</u>	<u>1,001,613</u>	<u>40,117,215</u>
At 31 March 2017	<u>35,013,012</u>	<u>1,624,219</u>	<u>854,037</u>	<u>37,491,268</u>

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Freehold	33,517,947	35,013,012
Long leasehold	5,597,655	1,624,219
	<u>39,115,602</u>	<u>36,637,231</u>

Elysium Healthcare (Ultimate Care) Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

14. Fixed asset investments

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
St George Care UK Limited	Ordinary	100 %	Holding company

Indirect Subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
St George Healthcare Group Limited	Ordinary	100 %	Holding company
St George Healthcare Limited	Ordinary	100 %	Rehabilitation hospital
Elysium Healthcare (St Mary's) Limited (formerly St Mary's Hospitals Limited)	Ordinary	100 %	Rehabilitation hospital
Elysium Healthcare (All Saints) Limited (formerly All Saints Hospital Limited)	Ordinary	100 %	Rehabilitation hospital
Focus On Care Recruitment Limited	Ordinary	100 %	Provision of nursing staff

The registered office of St George Care UK Limited and St George Healthcare Group Limited is The Old Rectory, Rectory Lane, Winwick, Warrington, Cheshire, WA2 8LE. The registered office of the other subsidiaries is 2 Imperial Place, Maxwell Road, Borehamwood, Hertfordshire, WD6 1JN.

Company

	As restated Investments in subsidiary companies £
Cost	
At 1 April 2017 (as previously stated)	18,637,156
Prior Year Adjustment (see note 23)	270,000
	<hr/>
At 1 April 2017 (as restated)	18,907,156
	<hr/>
At 31 March 2018	18,907,156
	<hr/>
Net book value	
At 31 March 2018	18,907,156
	<hr/>
At 31 March 2017 (as restated)	18,907,156
	<hr/>

Elysium Healthcare (Ultimate Care) Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

14. Fixed asset investments (continued)

Elysium Healthcare (Ultimate Care) Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

15. Debtors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Trade debtors	1,056,990	1,223,109	-	-
Amounts owed by related parties	66,714	29,899	-	-
Other debtors	823,224	372,034	778,143	320,000
Prepayments and accrued income	559,653	380,638	-	-
Tax recoverable	2,215	12,442	2,215	2,215
	<u>2,508,796</u>	<u>2,018,122</u>	<u>780,358</u>	<u>322,215</u>

The impairment loss recognised in profit or loss for the year in respect of bad and doubtful trade debtors was £189,845 (2017 - £Nil).

Included in other debtors are loans of equal amounts to the two directors totaling £778,143 (2017 - £320,000) which are non interest bearing and repayable on demand. This represents the maximum amount outstanding for the year.

16. Creditors: Amounts falling due within one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans (secured - see note 18)	29,099,303	1,453,026	-	-
Trade creditors	1,531,179	1,012,780	-	-
Amounts owed to group undertakings	-	-	9,002,167	7,924,057
Amounts owed to related parties	11,739	46,943	11,739	46,943
Corporation tax	200,212	153,086	-	-
Other taxation and social security	291,855	274,174	-	-
Other creditors	432,407	24,026	206,554	-
Accruals and deferred income	829,953	914,607	31,949	274,422
	<u>32,396,648</u>	<u>3,878,642</u>	<u>9,252,409</u>	<u>8,245,422</u>

Amounts owed to group undertakings are interest free and due on demand.

Elysium Healthcare (Ultimate Care) Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

17. Creditors: Amounts falling due after more than one year

	Group 2018 £	Group 2017 £	Company 2018 £	Company 2017 £
Bank loans	-	25,614,588	-	-
Loan notes	6,699,077	6,699,077	6,699,077	6,699,077
	<u>6,699,077</u>	<u>32,313,665</u>	<u>6,699,077</u>	<u>6,699,077</u>

The bank loan is secured by a fixed and floating charge over the assets of the Group and Company.

18. Loans

As at 31 March 2018 the group has a bank loan with Barclays Bank plc of £28,000,000. Interest is charged at 1.75% above LIBOR. Issue costs of £392,520 are netted against the value of the loan and are charged to the Statement of Comprehensive Income over the term of the loan. Of these issue costs, £130,721 have been amortised in the period and are included in interest payable on bank loans in Note 8. The remaining offset costs are £64,823 as at 31 March 2018.

On 2 October 2015 the company issued loan notes with a principal value of £6,699,077. Interest is charged at 5%. Repayment falls due on the fifth anniversary of the issue date, however all loan note balances have been repaid post year end.

	Group 2018 £	Group As restated 2017 £	Company 2018 £	Company As restated 2017 £
Amounts falling due within one year				
Bank loans	29,099,303	1,453,026	-	-
Amounts falling due 1-2 years				
Bank loans	-	1,453,026	-	-
Amounts falling due 2-5 years				
Bank loans	-	24,161,562	-	-
Loan notes	6,699,077	6,699,077	6,699,077	6,699,077
	<u>6,699,077</u>	<u>30,860,639</u>	<u>6,699,077</u>	<u>6,699,077</u>
	<u>35,798,380</u>	<u>33,766,691</u>	<u>6,699,077</u>	<u>6,699,077</u>

A bank covenant was breached during the year with no waiver from the bank being issued at year end. This has led to the entire bank loan of £29.1m being treated as a current liability, as it is payable on demand to the bank. Subsequent to year end as part of the acquisition by Elysium on 13th of September, the bank loan was fully repaid.

Elysium Healthcare (Ultimate Care) Limited

**Notes to the Financial Statements
For the Year Ended 31 March 2018**

19. Financial instruments

	Group 2018 £	Group 2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>3,096,904</u>	<u>3,905,775</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(38,603,658)</u>	<u>(35,765,046)</u>

Financial assets that are debt instruments measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by related parties.

Financial liabilities measured at amortised cost comprise loan stock, bank loans, trade creditors, other creditors, accruals and amounts owed by related parties.

20. Deferred taxation

Group	Deferred tax £
At 1 April 2017	(332,942)
Charged to the profit or loss	(20,235)
At 31 March 2018	<u><u>(353,177)</u></u>

The provision for deferred taxation is made up as follows:

	Group 2018 £	Group 2017 £
Accelerated capital allowances	(355,111)	(336,301)
Short term timing differences	1,934	3,359
	<u><u>(353,177)</u></u>	<u><u>(332,942)</u></u>

21. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
200 ordinary shares of £1 each	<u>200</u>	<u>200</u>

Elysium Healthcare (Ultimate Care) Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

22. Reserves

The Group's capital and reserves is as follows:

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

Share premium account

Share premium account represents the premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account.

Profit and loss account

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

23. Prior year adjustment

The value of the loan notes liability had previously been understated by £270,000 and therefore an adjustment has been made to the comparative brought forward figures, with the debit entry made to 'investments' as the loan notes liability relates to loan notes issued as part of the original acquisition of St George Care UK Limited.

There was also a corresponding missed interest expense based on the incorrect balance of loans notes of £17,495. An adjustment has been made to the comparative brought forward figures, with the credit entry made to 'Accruals and deferred income' as the missed interest was not paid during the year.

Also, during the year it was noted that the loan issue costs of £392,920 were being amortised over an incorrect period. Therefore, the correcting amount has been shown as a prior year adjustment. This has had a £186,647 impact on prior period profit.

24. Contingent liabilities

In October 2015 Elysium Healthcare (Ultimate Care) Limited (formerly St George Ultimate Care Limited) acquired £6.6 million of B redeemable shares issued by St George Care UK Limited from individual shareholders for a consideration of £2 per share giving a total consideration of £13.2 million. The consideration was in the form of cash and loan notes issued by Elysium Healthcare (Ultimate Care) Limited (formerly St George Ultimate Care Limited). Since then discussions have commenced with HMRC as to whether some of the shareholdings could be viewed as Employment Related Securities and their associated tax market value. These discussions are in very early stages and depending upon their outcome could give rise to a liability of between £0 – 3 million.

25. Pension commitments

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group in independent trustee administered funds. The pension costs charged for the year amounted to £141,172 (2017 - £119,965). Contributions totalling £28,786 (2017 - £19,432) were payable at the year end and included in other creditors due within one year.

Elysium Healthcare (Ultimate Care) Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

26. Commitments under operating leases

At 31 March 2018 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2018 £	Group 2017 £
Not later than 1 year	51,759	44,593
Later than 1 year and not later than 5 years	74,389	76,855
	<u>126,148</u>	<u>121,448</u>

27. Related party transactions

The company has taken advantage of the exemption in Section 33.1A of FRS 102 which allows exemption from disclosure of transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is a party of the transaction is wholly owned by a member of that group.

St George Homes Limited is a company registered in England of which N M Fouad and H Elnarshy-Fouad are directors and majority shareholders. During the year St George Homes Limited made sales of £Nil (2017 - £NIL) to the group. At the year end £27,846 (2017 - £46,943) was due from St George Homes Limited and £11,739 (2017 - £17,971) was due to St George Homes Limited.

At the year end the group was owed £38,868 (2017 - £11,928) by NHMC Limited, a company related through common ownership.

Included in debtors due within one year are directors' loan accounts of £778,143 (2017 - £320,000).

During the year the group made donations of £198,000 (2017 - £592,423) and made payments of £Nil (2017 - £2,954) to St Marks Universal Copts Care of which the directors are trustees.

During the year the group made donations of £179,500 (2017 - £276,800) to St Mina Charity.

Key management is composed of the directors. See note 7 for details of directors remuneration.

Elysium Healthcare (Ultimate Care) Limited

Notes to the Financial Statements For the Year Ended 31 March 2018

28. Post balance sheet events

On 10th May 2018, Elysium Healthcare Holdings 3 Limited entered into a conditional agreement to purchase all of the issued share capital of St George Ultimate Care Limited together with the following subsidiary undertakings, St Mary's Hospital Limited, All Saints Hospital Limited and Focus on Care Recruitment Limited, all collectively referred to as the remaining Group.

On the same date, a group re-organisation was carried out as follows:

- The Directors of St Mary's Hospital Limited transferred its' freehold interest in the land owned at Brampton, Carlisle to St George Care UK Limited, the direct subsidiary undertaking of the Company at its' net book value.
- The Directors of St. George Healthcare Limited transferred its' freehold and trading interests in the St. Cyril's hospital site to St George Care UK Limited at its' net book value.
- The shareholding investments of St Mary's Hospital Limited and All Saints Hospital Limited were transferred from St George Healthcare Group Limited to St George Ultimate Care Limited at book value.
- The shareholding investment of Focus on Care Recruitment Limited was transferred from St George Care UK Limited to St George Ultimate Care Limited at book value.
- St George Care UK Limited acquired the loan notes issued by St George Ultimate Care Limited with a principal value of £6,699,077 plus accrued interest from the loan note holders. In consideration for this, new shareholder loan notes of equivalent value were issued by St George Care UK Limited to existing loan note holders.

The transaction was conditional upon the necessary regulatory clearances which were secured before the transaction was completed.

- On 13th September 2018, the shareholding investment of St George Care UK Limited, the direct subsidiary undertaking of the Company together with its' investments in St. George Healthcare Limited and St George Healthcare Group Limited were sold to the Directors and shareholders of the Company at book value, before;
- Elysium Healthcare Holdings 3 Limited completed the purchase of the issued share capital of St George Ultimate Care Limited, the Company, together with the following subsidiary undertakings, St Mary's Hospital Limited, All Saints Hospital Limited and Focus on Care Recruitment Limited.

29. Controlling party

During the financial year, by virtue of their 50% share each in Elysium Healthcare (Ultimate Care) Limited (formerly St George Ultimate Care Limited), N M Fouad and H Elnarshy-Fouad were deemed to be the ultimate controlling parties.

After the year end, as set out in note 27, on 13th September 2018 the ultimate intermediate parent undertaking became Elysium Healthcare Holdings 2 Limited which for the purposes of consolidation is the parent of the largest group. The registered address of 2 Imperial Place, Maxwell Road, Borehamwood, Hertfordshire. WD6 1JN. Consolidated accounts of this Company are publicly available from Companies House, Crown Way, Cardiff, CF14 3UZ.