REGISTERED NUMBER 06486927 (England and Wales)

Report of the Directors and

Financial Statements for the Year Ended 31 March 2012

for

Ansel Limited

Ansel Limited

Contents of the Financial Statements for the Year Ended 31 March 2012

Ansel Limited

Company Information
for the Year Ended 31 March 2012

DIRECTORS:	T Burns R Broughton R I Jenkins A C Lane D J Ryan B Freeman
REGISTERED OFFICE:	The Ansel Clinic Clifton Lane Nottingham Nottinghamshire NG11 8NB
REGISTERED NUMBER:	06486927 (England and Wales)
AUDITOR:	Deloitte LLP Bristol United Kingdom

Ansel Limited

Report of the Directors for the Year Ended 31 March 2012

The directors present their report with the financial statements of the company for the year ended 31 March 2012

PRINCIPAL ACTIVITY

The principal activity of the company during the period was the provision of services relating to adults with personality disorders

REVIEW OF BUSINESS

The company operates a 24 bed low security unit in Nottingham specialising in the treatment of patients with personality disorders The unit has been operational since March 2010 and after incurring losses during the initial start up period the unit moved into operating profit in October 2011 The business anticipates generating a profit before loan note interest during 2012

A second site in Yorkshire was acquired in the prior year and planning permission has been obtained for the building of a similar unit

The directors believe that the long term prospects for the business remain good despite the general economic outlook and the net liabilities position at the year end

DIVIDENDS

The directors do not recommend the payment of a dividend for the period ended 31 March 2012 (2011 nil)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2011 to the date of this report

T Burns
A C Lane

Other changes in directors holding office are as follows

R Broughton - appointed 25 January 2012
R I Jenkins - appointed 20 December 2011
D J Ryan - appointed 25 January 2012
G Lane - resigned 30 November 2011
B Freeman – appointed 23 February 2012

COMPANY'S POLICY ON PAYMENT OF CREDITORS

Terms and conditions of payments to all suppliers are agreed on an individual basis

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Ansel group's activities expose it to a number of financial risks including interest rate risk, credit risk and liquidity risk The use of financial derivatives is approved by the board of directors The Company does not use derivative financial instruments for speculative purposes

Interest rate risk
The Ansel group is not exposed to interest rate fluctuations on its borrowings as the shareholder funding carries a fixed interest rate

Credit risk
The business is entirely funded by contracts with public sector organisations

Liquidity risk
In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company uses a £15m loan facility provided by its shareholders This facility is provided under a loan agreement signed in May 2008

Report of the Directors for the Year Ended 31 March 2012

GOING CONCERN

The Company's business activities together with the factors likely to affect its future are set out in the Review of Business above

The business has been funded by loans made by its principal shareholders These loans are interest bearing and the interest is charged against the Company's profits but the interest is rolled up Repayment is not due until July 2013, but the directors are expecting to be able to refinance the shareholder loans before these expire At the end of March 2012 there was £4 75m remaining in this facility In the opinion of the Directors this is sufficient to meet the development and operating needs of the business for the foreseeable future The Directors expect the existing unit to be generating profits and positive cashflows during the course of 2012 Any further developments after 2012 will be funded primarily by bank debt

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future They continue to adopt the going concern basis in preparing the financial statements

EMPLOYEES

The Company is an equal opportunities employer and gives full and fair consideration to applications for employment made by disabled persons, having regard to their particular aptitudes and abilities Where people become disabled during the course of their employment, every effort is made to retain their services and to provide retraining, if necessary All employees are eligible for consideration for appropriate training, career development and promotional opportunities, disabled people are not treated differently in this respect

The Company has established the practice of keeping employees informed of matters affecting them as employees and of the financial and economic factors affecting the performance of the Company

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006 They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditor is aware of that information

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting

Ansel Limited

Report of the Directors
for the Year Ended 31 March 2012

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

ON BEHALF OF THE BOARD:

T Burns - Director

Date 18/10/2012

Report of the Independent Auditor to the Members of Ansel Limited

We have audited the financial statements of Ansel Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet, and the related notes 1 to 17 The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

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

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

Scope of the audit of the financial statements
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 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 Report of the Directors 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 company's affairs as at 31 March 2012 and of its 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

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the Report of the Directors

David Hedditch

David Hedditch (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Bristol
United Kingdom

Date 18 October 2012

Ansel Lımıted

Profit and Loss Account
for the Year Ended 31 March 2012

	Notes	31 3 12 £	31 3 11 £
TURNOVER	2	2,031,610	1,165,939
Cost of sales		1,666,711	1,265,953
GROSS PROFIT/(LOSS)		364,899	(100,014)
Admınıstratıve expenses		1,666,107	1,493,404
OPERATING LOSS	4	(1,301,208)	(1,593,418)
Interest payable and sımılar charges	5	1,467,247	1,115,012
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(2,768,455)	(2,708,430)
Tax on loss on ordınary actıvıtıes	6	-	-
LOSS FOR THE FINANCIAL YEAR		(2,768,455)	(2,708,430)

CONTINUING OPERATIONS
None of the company's actıvıtıes were acquıred or dıscontınued durıng the current year or prevıous year

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognısed gaıns or losses other than the losses for the current year or prevıous year

The notes form part of these financıal statements

Ansel Limited

Balance Sheet
31 March 2012

	Notes	31 3 12 £	31 3 12 £	31 3 11 £	31 3 11 £
FIXED ASSETS					
Tangible assets	7		6,557,455		6,710,083
Investments	8		3		3
			6,557,458		6,710,086
CURRENT ASSETS					
Debtors	9	511,193		706,436	
Cash at bank and in hand		167,259		93,016	
		678,452		799,452	
CREDITORS					
Amounts falling due within one year	10	581,941		547,757	
NET CURRENT ASSETS			96,511		251,695
TOTAL ASSETS LESS CURRENT LIABILITIES			6,653,969		6,961,781
CREDITORS					
Amounts falling due after more than one year	11		13,612,398		11,151,755
NET LIABILITIES			(6,958,429)		(4,189,974)
CAPITAL AND RESERVES					
Called up share capital	13		2,425,001		2,425,001
Profit and loss account	14		(9,383,430)		(6,614,975)
SHAREHOLDERS' FUNDS	17		(6,958,429)		(4,189,974)

The financial statements for Ansel Limited (company registration number 06486927) were approved by the Board of Directors on 18/10/2012 and were signed on its behalf by

T Burns - Director

The notes form part of these financial statements

1 ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared in accordance with applicable UK accounting standards and under the historical cost convention The particular accounting policies adopted are described below and have been applied consistently in the current and prior years

Group Accounts
The financial statements contain information about Ansel Limited as an individual undertaking and do not contain consolidated financial information as the parent of a group The company is exempt under parts 15 and 16 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it qualifies as a small group

Financial Reporting Standard Number 1
Exemption has been taken from preparing a cash flow statement as provided by FRS 1 (revised) on the grounds that the company qualifies as a small company

Turnover
Turnover represents the invoice amount of services provided, the services provided by the Company are exempt from value added tax

Tangible fixed assets
Tangible fixed assets are included in the balance sheet at cost, net of depreciation and any provision for impairment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life

Plant and machinery - 25% on cost

Freehold land is not depreciated Assets under the course of construction are not depreciated until they are brought into use

Hire purchase and leasing commitments
Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease

Pension costs
The Company contributes to personal stakeholder pension plans Contributions are charged to the profit and loss account as they fall due

Going Concern
The business has been funded by loans made by its principal shareholders These loans are interest bearing and the interest is charged against the Company's profits but the interest is rolled up Repayment is not due until July 2013, but the directors are expecting to be able to refinance the shareholder loans before these expire At the end of March 2012 there was £4 75m remaining in this facility In the opinion of the Directors this is sufficient to meet the development and operating needs of the business until the end of 2012 The Directors expect the unit to be generating profits and positive cashflows during 2012 Any further developments after 2012 will be funded primarily by bank debt

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future They continue to adopt the going concern basis in preparing the financial statements

continued

1 ACCOUNTING POLICIES - continued

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

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered Deferred tax assets and liabilities are not discounted

2 TURNOVER

All turnover arises in the UK Turnover in the current and prior period was derived from the provision of services relating to adults with mental health problems

3 STAFF COSTS

	31 3 12	31 3 11
	£	£
Wages and salaries	1,902,224	1,492,505
Social security costs	201,181	156,527
Other pension costs	74,048	69,166
	2,177,453	1,718,198

The average monthly number of employees during the year was as follows

	31 3 12	31 3 11
Administrative	8	8
Operations	53	40
Marketing	1	1
	62	49

4 OPERATING LOSS

The operating loss is stated after charging

	31 3 12	31 3 11
	£	£
Other operating leases	20,928	12,299
Depreciation - owned assets	171,872	153,373
Write off of irrecoverable debt	204,465	-
Auditor's remuneration	12,000	14,000

Directors' remuneration	295,072	416,488
Directors' pension contributions to money purchase schemes	26,494	14,000
Compensation to director for loss of office	76,730	-

continued

4 **OPERATING LOSS - continued**

Information regarding the highest paid director is as follows

	31 3 12	31 3 11
	£	£
Emoluments etc	124,199	167,269
Pension contributions to money purchase schemes	12,419	14,000

5 **INTEREST PAYABLE AND SIMILAR CHARGES**

	31 3 12	31 3 11
	£	£
Bank interest	2	-
Shareholders loan notes	1,467,245	1,115,012
	1,467,247	1,115,012

6 **TAXATION**

Analysis of the tax charge
No liability to UK corporation tax arose on ordinary activities for the year ended 31 March 2012 nor for the year ended 31 March 2011

Factors affecting the tax charge
The tax assessed for the year is higher than the standard rate of corporation tax in the UK The difference is explained below

	31 3 12	31 3 11
	£	£
Loss on ordinary activities before tax	(2,768,455)	(2,708,430)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 26% (2011 - 28%)	(719,798)	(758,360)
Effects of		
Expenses not deductible for tax purposes	31	-
Differences between depreciation and capital allowances	44,687	42,944
Short term timing differences	370,604	3,888
Losses carried forward	304,476	711,528
Current tax charge	-	-

The company has an unrecognised deferred tax asset of £1,628,964 (2011 £1,565,142) of which £1,247,706 (2011 £1,337,108) relates to losses carried forward and £381,258 (2011 £228,034) to short term timing differences The deferred tax asset will be only be recognised once management are able to anticipate with certainty sufficient future available profits

The UK Government announced a reduction in the standard rate of UK corporation tax from 28% to 26% effective 1 April 2011 and to 24% effective 1 April 2012 These rate reductions became substantively enacted in March 2011 and March 2012, respectively Accordingly, the company's losses for this financial year are taxed at an effective rate of 26%

The UK Government also proposed changes to further reduce the standard rate of UK corporation tax by 1% per annum to 22% by 1 April 2014 As these rates were not substantively enacted at the balance sheet date, the rate reduction is not yet reflected in these financial statements The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted

continued

Ansel Limited

Notes to the Financial Statements - continued
for the Year Ended 31 March 2012

7 TANGIBLE FIXED ASSETS

	Assets under the course of construction £	Freehold property £	Plant and machinery £
COST			
At 1 April 2011	1,431,736	5,042,888	29,621
Additions	-	-	2,078
At 31 March 2012	1,431,736	5,042,888	31,699
DEPRECIATION			
At 1 April 2011	-	65,861	6,788
Charge for year	-	72,621	8,233
At 31 March 2012	-	138,482	15,021
NET BOOK VALUE			
At 31 March 2012	1,431,736	4,904,406	16,678
At 31 March 2011	1,431,736	4,977,027	22,833

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 April 2011	226,235	135,681	6,866,161
Additions	12,552	4,614	19,244
At 31 March 2012	238,787	140,295	6,885,405
DEPRECIATION			
At 1 April 2011	49,911	33,518	156,078
Charge for year	56,559	34,459	171,872
At 31 March 2012	106,470	67,977	327,950
NET BOOK VALUE			
At 31 March 2012	132,317	72,318	6,557,455
At 31 March 2011	176,324	102,163	6,710,083

Included in cost of land and buildings is freehold land of £2,440,000 (2011 - £2,440,000) which is not depreciated

continued

8 FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 April 2011	
and 31 March 2012	3
NET BOOK VALUE	
At 31 March 2012	3
At 31 March 2011	3

The company's investments at the balance sheet date in the share capital of companies include the following

Ansel Developments Limited
Country of incorporation England and Wales
Nature of business Project development

Class of shares	% holding
Ordinary	100 00

Ansel Healthcare Limited
Country of incorporation England and Wales
Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

Ansel Socialcare Limited
Country of incorporation England and Wales
Nature of business Dormant

Class of shares	% holding
Ordinary	100 00

9 DEBTORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 12 £	31 3 11 £
Trade debtors	179,032	121,860
Amounts owed by subsidiaries	279,350	177,528
Amounts owed by related parties	-	330,462
Prepayments and accrued income	52,811	76,586
	511,193	706,436

The amounts owed by related parties are due from entities within the ILG group, which share common management with Ansel Limited

continued

10 CREDITORS AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 12	31 3 11
	£	£
Trade creditors	88,217	116,778
Amounts owed to related parties	-	68,902
Net wages	-	(380)
Pensions	10,000	51,845
Social security and other taxes	174,727	52,336
Other creditors	19,647	5,666
Deferred income	254,373	176,385
Accrued expenses	34,977	76,225
	581,941	547,757

The amounts owed to related parties are due to entities within the ILG group, which share common management with Ansel Limited

11 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 3 12	31 3 11
	£	£
Other loans (see note 12)	13,612,398	11,151,755

During the year ended 31 March 2012 the shareholder loan notes accrued interest at 12% (2011 12%) Repayment of the loan notes is not due until July 2013, but the directors are expecting to be able to refinance the shareholder loans before these expire

The loan notes are secured via a charge against all monies due to the Company and a fixed charge over the present and future land and buildings of the company

12 LOANS

An analysis of the maturity of loans is given below

	31 3 12	31 3 11
	£	£
Amounts falling due between one and two years		
Shareholder loan notes	13,612,398	11,151,755

13 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid

Number	Class	Nominal value	31 3 12	31 3 11
			£	£
1	Ordinary	£1	1	1
1,862,500	Ordinary A	£1	1,862,500	1,862,500
562,500	Ordinary B	£1	562,500	562,500
			2,425,001	2,425,001

The class A and class B shares rank pari passu

continued

14 RESERVES

	Profit and loss account £
At 1 April 2011	(6,614,975)
Deficit for the year	(2,768,455)
At 31 March 2012	(9,383,430)

15 ULTIMATE PARENT COMPANY

Ansel Limited is the parent company of the Ansel Limited group and as noted in note 1 to these accounts the company is exempt from the preparation of the consolidated financial statements

The ultimate parent and controlling party and the parent company of the largest group which produces consolidated financial statements which include the company is BBTPS LP

16 RELATED PARTY DISCLOSURES

In accordance with FRS 8 the company has taken the exemption not to disclose related party transactions with other group undertakings

During the period under review Ansel Limited provided directors services to the ILG Group of companies amounting to £140,561 (2011 £161,211) Ansel Limited received administrative services totalling £34,497 (2011 £68,902) from the ILG group of companies

17 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 3 12 £	31 3 11 £
Loss for the financial year	(2,768,455)	(2,708,430)
Net reduction of shareholders' funds	(2,768,455)	(2,708,430)
Opening shareholders' funds	(4,189,974)	(1,481,544)
Closing shareholders' funds	(6,958,429)	(4,189,974)