

Callisto Healthcare Limited
Financial Statements
31 March 2018



BURGESS HODGSON LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Callisto Healthcare Limited

Financial Statements

Year ended 31 March 2018

Contents	Page
Strategic report	1
Directors' report	2
Independent auditor's report to the member	4
Statement of income and retained earnings	8
Statement of financial position	9
Notes to the financial statements	10

Callisto Healthcare Limited

Strategic Report

Year ended 31 March 2018

Business Review and Future Developments

The company owns T D Bailey Investments Limited, which in turn owned the Dulwich Care Centre before which it transferred to fellow group member, Capital Care Villages (Dulwich) Limited.

The Dulwich Care Centre is currently being re-developed as an assisted living facility.

Callisto itself is a wholly owned subsidiary of Ganymede Care Limited which also operates the Chiswick Nursing Centre.

Financial Review

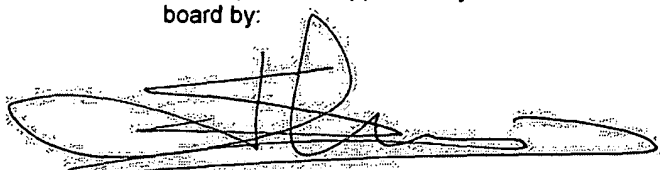
	2018	2017
	£	£
Turnover	123,986	143,004
Gross Profit	123,986	143,004
Profit before taxation	64,607	(2,873,473)
EBITDA	119,096	134,953
Net Assets	(2,945,400)	(3,010,007)

Principal Risk and Uncertainties

The directors take action as needed to address and manage risks and uncertainties.

Interest rate risk is controlled through hedging, whilst directors constantly monitor the company to minimise credit, liquidity and cash flow risk.

This report was approved by the board of directors on 5.12.18 and signed on behalf of the board by:



Mr S Dhandra
Director

Registered office:
1 Battersea Square
London
SW11 3RZ

Callisto Healthcare Limited

Directors' Report

Year ended 31 March 2018

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

Directors

The directors who served the company during the year were as follows:

Dr N Dhandra
Mr S Dhandra
Mr M Gash
Mr A K N Patel

Dividends

The directors do not recommend the payment of a dividend.

Directors' responsibilities statement

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

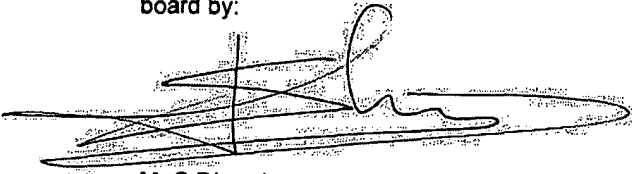
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Callisto Healthcare Limited

Directors' Report *(continued)*

Year ended 31 March 2018

This report was approved by the board of directors on 5.12.18 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to read 'S Dhandra', written over a horizontal line.

Mr S Dhandra
Director

Registered office:
1 Battersea Square
London
SW11 3RZ

Callisto Healthcare Limited

Independent Auditor's Report to the Member of Callisto Healthcare Limited

Year ended 31 March 2018

Opinion

We have audited the financial statements of Callisto Healthcare Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of income and retained earnings, statement of financial position and the related notes, 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 FRS 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 company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 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 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.

Callisto Healthcare Limited

Independent Auditor's Report to the Member of Callisto Healthcare Limited

(continued)

Year ended 31 March 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' 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, 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.

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 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 company or to cease operations, or have no realistic alternative but to do so.

Callisto Healthcare Limited

Independent Auditor's Report to the Member of Callisto Healthcare Limited (continued)

Year ended 31 March 2018

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

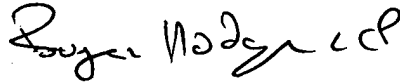
Callisto Healthcare Limited

Independent Auditor's Report to the Member of Callisto Healthcare Limited (continued)

Year ended 31 March 2018

Use of our report

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



Robert Field FCA CTA (Senior Statutory Auditor)

5/12/2018

For and on behalf of
Burgess Hodgson LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

Callisto Healthcare Limited
Statement of Income and Retained Earnings
Year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	4	123,986	143,004
Gross profit		123,986	143,004
Administrative expenses		<u>4,890</u>	<u>8,051</u>
Operating profit		119,096	134,953
Other interest receivable and similar income	6	67,156	21,420
Amounts written back to investments	7	–	2,889,288
Interest payable and similar expenses	8	<u>121,645</u>	<u>140,558</u>
Profit/(loss) before taxation		64,607	(2,873,473)
Tax on profit/(loss)	9	<u>–</u>	<u>–</u>
Profit/(loss) for the financial year and total comprehensive income		64,607	(2,873,473)
Retained losses at the start of the year		(3,010,008)	(136,535)
Retained losses at the end of the year		(2,945,401)	(3,010,008)

All the activities of the company are from continuing operations.

The notes on pages 10 to 14 form part of these financial statements.


Callisto Healthcare Limited

Statement of Financial Position

31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	10	3,114,823	3,114,823
Current assets			
Debtors	11	3,470,661	3,346,886
Cash at bank and in hand		14,883	3,039
		<u>3,485,544</u>	<u>3,349,925</u>
Creditors: amounts falling due within one year	12	<u>9,545,767</u>	<u>9,474,755</u>
Net current liabilities		<u>6,060,223</u>	<u>6,124,830</u>
Total assets less current liabilities		<u>(2,945,400)</u>	<u>(3,010,007)</u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account	15	(2,945,401)	(3,010,008)
Shareholder deficit		<u>(2,945,400)</u>	<u>(3,010,007)</u>

These financial statements were approved by the board of directors and authorised for issue on 31.03.18 and are signed on behalf of the board by:



Mr S. Dhandra
Director

Company registration number: 07767324

The notes on pages 10 to 14 form part of these financial statements.

Callisto Healthcare Limited
Notes to the Financial Statements
Year ended 31 March 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1 Battersea Square, London, SW11 3RZ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The company and its group members have breached their original loan covenants. The bank has agreed to waive any rights available to it as a result of such breaches.

In addition the company's subsidiary T.D. Bailey Investments Limited that owned the Dulwich Care Centre, closed this operation in the previous year and transferred its freehold property to another group member so that it can explore development options with the site.

As a result the company has impaired its carrying investment cost in T.D. Bailey Investments Limited resulting in a large accounting loss for previous the year. This accounting adjustment is not reflected in the group accounts as the overall value remains within the group.

With the support of its parent company, the directors are confident that the company can meet its liabilities as they fall due.

Disclosure exemptions

The company has taken advantage of the exemption from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for interest due, net of discounts and Value Added Tax.

Callisto Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

3. Accounting policies *(continued)*

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Recharge of finance costs	<u>123,986</u>	<u>143,004</u>

Callisto Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

4. Turnover *(continued)*

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

5. Directors remuneration

The directors of the company are remunerated in the company's ultimate parent company, Ganymede Care Limited.

6. Other interest receivable and similar income

	2018 £	2017 £
Gain on financial instruments	<u>67,156</u>	<u>21,420</u>

7. Amounts written back to investments

	2018 £	2017 £
Impairment of other fixed asset investments	<u>-</u>	<u>2,889,288</u>

8. Interest payable and similar expenses

	2018 £	2017 £
Interest on banks loans and overdrafts	<u>121,645</u>	<u>140,558</u>

9. Tax on profit/(loss)

Reconciliation of tax income

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than (2017: higher than) the standard rate of corporation tax in the UK of 19% (2017: 20%).

	2018 £	2017 £
Profit/(loss) on ordinary activities before taxation	<u>64,607</u>	<u>(2,873,473)</u>
Profit/(loss) on ordinary activities by rate of tax	<u>12,275</u>	<u>(574,695)</u>
Adjustment to tax charge in respect of prior periods	<u>(2,850)</u>	-
Effect of expenses not deductible for tax purposes	-	574,858
Utilisation of tax losses	<u>(9,425)</u>	-
Group relief	-	(163)
Tax on profit/(loss)	<u>-</u>	<u>-</u>

Callisto Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

10. Investments

	Shares in group undertakings £
Cost	
At 1 April 2017 and 31 March 2018	<u>6,004,111</u>
Impairment	
At 1 April 2017 and 31 March 2018	<u>2,889,288</u>
Carrying amount	
At 31 March 2018	<u>3,114,823</u>
At 31 March 2017	<u>3,114,823</u>

Subsidiaries, associates and other investments

	Class of share	Percentage of shares held
Subsidiary undertakings		
T. D. Bailey Investments Limited	Ordinary	100

11. Debtors

	2018 £	2017 £
Amounts owed by group undertakings	<u>3,470,661</u>	<u>3,346,886</u>

12. Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	2,747,670	3,236,701
Amounts owed to group undertakings	6,770,636	6,210,593
Other creditors	27,461	27,461
	<u>9,545,767</u>	<u>9,474,755</u>

The bank loan carries an interest rate at 2.25% over LIBOR. The loans are secured by a cross guarantee between Callisto Healthcare Limited, T.D. Bailey Investments Limited, Ganymede Care Limited and Capital Care Villages (Dulwich) Limited.

There is a first legal charge over the freehold land and buildings owned by the company's fellow group member, Capital Care Villages (Dulwich) Limited. The freehold land and buildings were formerly owned by the company's 100% subsidiary T.D. Bailey Investments Limited.

The company has also entered into an interest rate hedging contract on 75% of the nominal value of the outstanding loan.

Callisto Healthcare Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2018

13. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2018 £	2017 £
Financial assets that are debt instruments measured at amortised cost		
Cash and cash equivalents	14,883	3,039
Amounts owed from group undertakings	<u>3,470,661</u>	<u>3,346,886</u>
	<u>3,485,544</u>	<u>3,349,925</u>
Financial liabilities measured at fair value through profit or loss		
Derivative financial instruments	<u>(2,747,670)</u>	<u>(3,236,701)</u>
Financial liabilities measured at amortised cost		
Other creditors	(27,461)	(27,461)
Amounts owed to group undertakings	<u>(6,770,636)</u>	<u>(6,210,593)</u>
	<u>(6,798,097)</u>	<u>(6,238,054)</u>

14. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1</u>	<u>1.00</u>	<u>1</u>	<u>1.00</u>

15. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

16. Related party transactions

The company has taken advantage of exemptions to not disclose transactions with group companies.

17. Controlling party

The company's ultimate parent company is Ganymede Care Limited a company incorporated in England and Wales.

There is no deemed controlling party of Ganymede Care Limited.