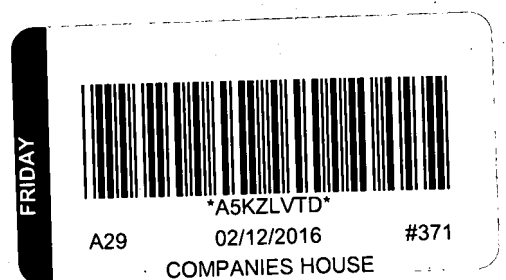


Registered number: 09052320

**TRACSCARE INTERCO LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2016**



## **TRASCARE INTERCO LIMITED**

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## **TRASCARE INTERCO LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	P J Battle R Craner (appointed 20 July 2016) S G Hullin C Cameron (resigned 8 September 2016)
<b>Registered Number</b>	09052320
<b>Registered Office</b>	Staple Court 11 Staple Inn Buildings London WC1V 7QH
<b>Solicitors</b>	Goodwin Proctor (UK) LLP Tower 42 25 Old Broad Street London EC2N 1HQ
<b>Independent Auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

## **TRASCARE INTERCO LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016**

The directors present the Strategic Report of Trascare Interco Limited (the "Company") for the year ended 31 March 2016.

### **BUSINESS REVIEW**

The directors manage the various businesses of the Trascare Holdco Limited Group on a group, rather than an individual company basis. As such, a separate business review of the Company has not been prepared, but a group review can be found in the Strategic Report contained in the Annual Report of Trascare Holdco Limited. Neither the Strategic Report nor the Annual Report of Trascare Holdco Limited forms part of this report.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks and uncertainties of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of Trascare Holdco Limited, which include those of the Company, are discussed in the Strategic Report contained in the Annual Report of Trascare Holdco Limited. Neither the Strategic Report nor the Annual Report of Trascare Holdco Limited forms part of this report.

### **FINANCIAL KEY PERFORMANCE INDICATORS**

The directors of Trascare Holdco Limited manage the Group's operations on a group-wide basis.

For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of Trascare Interco Limited.

The development, performance and position of Trascare Holdco Limited, which includes the Company, are discussed in the Strategic Report contained in the Annual Report of Trascare Holdco Limited. Neither the Strategic Report nor the Annual Report of Trascare Holdco Limited forms part of this report.

The report was approved by the board on 30/11/16 and signed on its behalf by:



**R Craner**  
Director

## **TRASCARE INTERCO LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016**

The directors present their annual report and the audited financial statements of Trascare Interco Limited (the "Company") for the year ended 31 March 2016.

#### **PRINCIPAL ACTIVITIES**

The Company's principal activity is the ownership of investments in subsidiary companies involved in the provision of residential care homes and the provision of supported living services.

#### **RESULTS AND DIVIDENDS**

The loss for the financial year was £55,441 (10 month period to 31 March 2015: loss of £26,042).

The directors do not recommend the payment of a dividend (10 month period to 31 March 2015: Nil).

#### **DIRECTORS**

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

P J Battle

R Craner (appointed 20 July 2016)

S G Hullin

C Cameron (resigned 8 September 2016)

#### **QUALIFYING THIRD PARTY INDEMNITY PROVISIONS**

The Company purchased and maintained throughout the financial year and up to the date of approval of the financial statements, Directors' and Officers' liability insurance in respect of itself and its directors.

#### **FUTURE DEVELOPMENT**

Further details of future development are provided in the Strategic Report.

#### **FINANCIAL RISK MANAGEMENT**

The Company is not exposed to any significant risk arising from the use of financial instruments.

## **TRASCARE INTERCO LIMITED**

### **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

#### **DIRECTORS' RESPONSIBILITIES STATEMENT**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), comprising Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102). 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 for the Company financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, have been followed, subject to
- any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the
- preparation of financial statements; and
- 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.

#### **DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

**TRACSCARE INTERCO LIMITED**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2016 (continued)**

**INDEPENDENT AUDITORS**

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

This report was approved by the board on 30/11/16 and signed on its behalf by:



**R Craner**  
Director

# ***Independent auditors' report to the members of Trascare Interco Limited***

## **Report on the financial statements**

---

### **Our opinion**

In our opinion, Trascare Interco Limited's financial statements (the "financial statements"):

give a true and fair view of the state of the company's affairs as at 31 March 2016 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.

---

### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

the Statement of Financial Position as at 31 March 2016;

the Statement of Comprehensive Income for the year then ended;

the Statement of Changes in Equity for the year then ended; and

the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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In our opinion, 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.

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### **Other matters on which we are required to report by exception**

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#### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

we have not received all the information and explanations we require for our audit; or

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.

We have no exceptions to report arising from this responsibility.

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#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.



# ***Independent auditors' report to the members of Trascare Interco Limited***

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## **Responsibilities for the financial statements and the audit**

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### **Our responsibilities and those of the directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

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### **What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Jason Clarke (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff

30 November 2016

**TRACSCARE INTERCO LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	Year ended 31 March 2016 £	10 months ended 31 March 2015 £
Administrative expenses		-	(26,042)
<b>Operating result</b>		-	(26,042)
Interest receivable and similar income		4,353,405	2,618,051
Interest payable and similar charges	7	(4,408,846)	(2,618,051)
<b>Loss on ordinary activities before taxation</b>		(55,441)	(26,042)
Tax on loss on ordinary activities	8	-	-
<b>Loss for the financial year/period</b>		(55,441)	(26,042)
<b>Total comprehensive expense for the financial year/period</b>		(55,441)	(26,042)
<b>Loss for the financial year/period attributable to:</b>		(55,441)	(26,042)
Owners of the parent Company		(55,441)	(26,042)
<b>Total comprehensive expense for the financial year/period attributable to:</b>		(55,441)	(26,042)
Owners of the company		(55,441)	(26,042)

**TRASCARE INTERCO LIMITED**  
**REGISTERED NUMBER: 09052320**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2016**

	Note	2016 £	2015 £
<b>FIXED ASSETS</b>			
Investments	9	19,534,610	14,604,327
<b>CURRENT ASSETS</b>			
Debtors	10	43,057,340	29,634,219
<b>CREDITORS:</b> amounts falling due within one year	11	<u>(245,286)</u>	<u>-</u>
<b>NET CURRENT ASSETS</b>		<b>42,812,054</b>	<b>29,634,219</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>62,346,664</b>	<b>44,238,546</b>
<b>CREDITORS:</b> amount falling due after one year	12	<b>(42,643,537)</b>	<b>(29,410,261)</b>
<b>NET ASSETS</b>		<b><u>19,703,127</u></b>	<b><u>14,828,285</u></b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	19,784,610	14,854,327
Profit and loss account	14	<u>(81,483)</u>	<u>(26,042)</u>
<b>TOTAL SHAREHOLDERS FUNDS</b>		<b><u>19,703,127</u></b>	<b><u>14,828,285</u></b>

The financial statements on pages 8 to 21 were approved and authorised for issue by the board and were signed on its behalf on 30/11/16 by:



R Craner  
**Director**

The notes on pages 11 to 21 form part of these financial statements.

**TRACSCARE INTERCO LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2016**

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
At 1 April 2015	14,854,327	(26,042)	14,828,285
<b>Contributions by and distributions to owners</b>			
Issue of Ordinary shares	4,930,283	-	4,930,283
<b>Comprehensive expense for the financial year</b>			
Loss for the financial year	-	(55,441)	(55,441)
At 31 March 2016	<u>19,784,610</u>	<u>(81,483)</u>	<u>19,703,127</u>

**FOR THE 10 MONTHS ENDED 31 MARCH 2015**

	<b>Called up share capital £</b>	<b>Profit and loss account £</b>	<b>Total shareholders' funds £</b>
At 22 May 2014	-	-	-
<b>Contributions by and distributions to owners</b>			
Issue of ordinary shares	14,854,327	-	14,854,327
<b>Comprehensive expense for the financial year</b>			
Loss for the financial period	-	(26,042)	(26,042)
At 31 March 2015	<u>14,854,327</u>	<u>(26,042)</u>	<u>14,828,285</u>

## **TRASCARE INTERCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

#### **1. GENERAL INFORMATION**

Trascare Interco Limited ("The Company") owns investments in subsidiary companies involved in the provision of residential care homes and the provision of supported living services.

The Company is a private company limited by shares and is incorporated in the United Kingdom. The address of its registered office is: Staple Court, 11 Staple Inn Buildings, London, WC1V 7QH.

#### **2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information of the impact of first-time adoption of FRS 102 is given in note 17.

#### **3. ACCOUNTING POLICIES**

##### **3.1 Basis of preparation of financial statements**

The financial statements have been prepared on the going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 17.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

The Company is itself a subsidiary company and is exempt from the requirement to prepare group financial statements by virtue of section 400 of the Companies Act 2006. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied consistently throughout the financial year.

## **TRACSCARE INTERCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

#### **3.2 Financial reporting standard 102 – reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing the financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Tracscare Holdco Limited as at 31 March 2016 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

#### **3.3 Cash flow statement**

The Company has taken advantage of the exemption from preparing a cash flow statement, as set out in FRS102 section 1.12, on the basis that its financial statements are included in the consolidated financial statement of Tracscare Holdco Limited (see note 15).

#### **3.4 Debtors**

Short terms 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.

#### **3.5 Creditors**

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

## **TRACSCARE INTERCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

#### **3.6 Related party transactions**

The Company has taken advantage of the exemption from disclosing related party transactions with fellow group undertakings, as set out in FRS102 section 1.12, on the basis that its financial statements are included in the consolidated financial statement of Tracscare Holdco Limited (see note 16).

#### **3.7 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

#### **3.8 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generate income.

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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## **TRACSCARE INTERCO LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016**

#### **3.9 Financial Instruments**

The Company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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 Income Statement.

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. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **3.10 Finance costs**

Finance costs are charged to the Income Statement 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.



## TRACSCARE INTERCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 4. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3 the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities, which are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis with revisions to accounting estimates being recognised in the period in which the estimate is revised, where that revision affects only the current or future accounting periods.

The following are the critical judgements and key sources of estimation uncertainty that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the financial statements:

##### Carrying value of investments

Determining whether investments are impaired required an estimation in value in use of the cash generating units to which the investments are related. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the cash generating units and the application of a discount rate to calculate the present value.

#### 5. AUDITORS REMUNERATION

	Year ended 31 March 2016 £	10 months ended 31 March 2015 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	1,500	1,500
Fees payable to the company's auditors in respect of:		
- Taxation compliance services	1,750	1,750
- Other non-audit services	-	1,000

Fees payable to the Company's auditors are those associated with the services provided relating to the Company. These costs are borne by fellow group companies in the current and previous financial year.

## TRASCARE INTERCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 6. STAFF COSTS

The Company has no employees other than the directors, who did not receive any remuneration. The directors were remunerated by Tracs Limited for their services to the group as a whole.

#### 7. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 March 2016 £	10 months ended 31 March 2015 £
Interest on loan notes	4,353,404	2,618,051
Amortisation of debt issue costs	55,442	-
	<u>4,408,846</u>	<u>2,618,051</u>

#### 8. TAX ON LOSS ON ORDINARY ACTIVITIES

	Year ended 31 March 2016 £	10 months ended 31 March 2015 £
Corporation tax	-	-
Deferred tax	-	-
Tax on loss on ordinary activities	<u>-</u>	<u>-</u>

# TRACSCARE INTERCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 8. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

#### Factors affecting tax charge for the financial year/period

The tax assessed for the year is higher than (2015: higher than) the standard rate of corporation tax in the UK of 20% (2015: 21%). The differences are explained below:

	Year ended 31 March 2016 £	10 months ended 31 March 2015 £
Loss on ordinary activities before tax	<u>(55,442)</u>	<u>(26,042)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	(11,088)	(5,469)
Effects of:		
Expenses not deductible for tax purposes	542,039	-
Non-taxable income	(536,150)	(74,428)
Transfer pricing adjustments	46,849	-
Group relief not paid for	(114,217)	79,897
Deferred tax movement not recognised	72,567	-
<b>Total tax charge for the year/period</b>	<u>-</u>	<u>-</u>

#### Factors that may affect future tax charges

The July 2015 Budget Statement announced changes (which were subsequently enacted) to the UK Corporation Tax regime which will reduce the main rate of Corporation Tax to 19% from 1 April 2017 and 18% from 1 April 2020. A further change was announced in the March 2016 Budget to further reduce the Corporation Tax rate to 17% by 1 April 2020, which has yet to be substantively enacted.

Accordingly, deferred tax has been calculated using a tax rate of 18%.

A deferred tax asset in the sum of £123,781 (2015: £64,967) at the standard rate of UK corporation tax of 18% (2015: 21%), has not been recognised on the grounds that there is insufficient evidence that the asset will be recoverable.

# TRASCARE INTERCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

### 9. INVESTMENTS

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 April 2015	14,604,327
Additions	4,930,283
<b>At 31 March 2016</b>	<b>19,534,610</b>
<b>Net book value</b>	
At 31 March 2016	19,534,610
At 31 March 2015	14,604,327

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding Principal activity
Trascare Midco Limited	United Kingdom	Ordinary	100% Holding company
Trascare Bidco Limited	United Kingdom	Ordinary	100% Holding company
Trascare Group Limited	United Kingdom	Ordinary	100% Holding company
Tracs Limited	United Kingdom	Ordinary	100% Care provider
Trascare 2005 Limited	United Kingdom	Ordinary	100% Dormant
Trascare 2006 Group Limited	United Kingdom	Ordinary	100% Dormant
Trascare 2006 Holdings Limited	United Kingdom	Ordinary	100% Dormant
Trascare 2006 Limited	United Kingdom	Ordinary	100% Dormant
Trascare 2007 Holdings Limited	United Kingdom	Ordinary	100% Dormant
Trascare 2007 Limited	United Kingdom	Ordinary	100% Dormant
Cascade Care Group Limited	United Kingdom	Ordinary	100% Dormant
Cascade Care Holdings Limited	United Kingdom	Ordinary	100% Dormant
Cascade Care Limited	United Kingdom	Ordinary	100% Dormant
CVS Homes Limited	United Kingdom	Ordinary	100% Dormant
Milton Park Holdings Limited	Channel Islands	Ordinary	100% Holding company
Brookdale Employee Limited	United Kingdom	Ordinary	100% Care provider
Moville Holdings Limited	Channel Islands	Ordinary	100% Holding company
Signia Estates Limited	Channel Islands	Ordinary	100% Dormant company
Kemble Holdings Limited	Channel Islands	Ordinary	100% Holding company
Brookdale Healthcare Limited	United Kingdom	Ordinary	100% Care provider
Milton Care Partnership	United Kingdom	Ordinary	100% Care provider
Kemble Care Partnership	United Kingdom	Ordinary	100% Care provider
Brookdale Care Partnership	United Kingdom	Ordinary	100% Care provider

The directors consider the value of the investments to be supported by their underlying net assets.

**TRACSCARE INTERCO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2016**

**10. DEBTORS**

	2016 £	2015 £
<b>Due within one year</b>		
Amount owed by group undertakings	<u>43,057,340</u>	<u>29,634,219</u>

Amounts owed by group undertakings are unsecured, interest is charged at 12% and carry no fixed terms of repayment.

**11. CREDITORS:**

**Amounts falling due within one year**

	2016 £	2015 £
Amount owed to group undertakings	<u>245,286</u>	<u>-</u>

The amounts owed to group undertakings falling due within one year are unsecured, no interest is charged and there are no fixed terms of repayment.

**12. CREDITORS:**

**Amounts falling due after one year**

	2016 £	2015 £
Other loans	<u>42,643,537</u>	<u>29,410,261</u>

Included in the above are amounts falling due as follows:

	2016 £	2015 £
<b>Over five years</b>		
Other loans	<u>42,643,537</u>	<u>29,410,261</u>

## TRACSCARE INTERCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 12. CREDITORS (continued)

##### Other loans

The Company has in place A loan notes and B loan notes.

£26,975,748 of unsecured A loan notes were issued at a par value of £1 per note on 6 June 2014 and a further £8,020,391 were issued at a value of £9,069,717 on 7 July 2015. Interest of 12% per annum is accrued on the notes and is compounded annually, of which £8,012,578 has been accrued and included in the above liability as at 31 March 2016. The loan notes are redeemable at par values plus accrued interest on the 8th anniversary of their issue.

The A notes are listed on the Channel Islands Stock Exchange.

£40,420 of unsecured B loan notes were issued at a par value of £1 per note on 28 November 2014. Interest of 12% per annum is accrued on the notes and is compounded annually, of which £8,203 has been accrued and included in the above liability at 31 March 2016. The loan notes are redeemable at par value plus accrued interest in the 8th anniversary of their issue.

A total of £483,381 loan note arrangement fees relating to the A and B loan notes have been offset against the liabilities above.

#### 13. CALLED UP SHARE CAPITAL

	2016 £	2015 £
<b>Allotted, called up and fully paid</b>		
19,784,610 (2015: 14,854,327) Ordinary shares of £1 (2015: £1)	<u>19,784,610</u>	<u>14,854,327</u>

On 7 July 2015 a further 4,930,283 Ordinary shares at a par value of £1 were issued for consideration of £4,930,327.

#### 14. RESERVES

##### Profit and loss account

The profit and loss account represents the cumulative profits and losses of the Company less any distributions made to owners of the Company.

## TRASCARE INTERCO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

#### 15. RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemption, under FRS 102 paragraph 33.2, from disclosing transactions with members of the same group that are wholly owned.

#### 16. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company at 31 March 2016 was Trascare Holdco Limited.

The ultimate parent company at 31 March 2016 was Trascare Holdco Limited.

The directors consider there to be no controlling party as at 31 March 2016.

Trascare Holdco Limited is the parent of the smallest and largest group in which the Company is a member and for which group financial statements are drawn up. Copies of the financial statements of Trascare Holdco Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

#### 17. FIRST TIME ADOPTION OF FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 22 May 2014. There were no material differences to account for on transition and as such the equity and loss for the period ended 31 March 2015 is set out below:

##### Reconciliation of equity at 31 March 2015

	£
Equity at 31 March 2015 under previous UK GAAP	14,828,285
Equity shareholders' funds at 31 March 2015 under FRS102	<u>14,828,285</u>

##### Reconciliation of profit and loss account for the period ended 31 March 2015

	£
Loss for the period under UK GAAP	(26,042)
Loss for the period ended 31 March 2015 under FRS 102	<u>(26,042)</u>