

TRACSCARE INTERCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2015

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TRACSCARE INTERCO LIMITED

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TRACSCARE INTERCO LIMITED

COMPANY INFORMATION

DIRECTORS

P J Battle (appointed 26 January 2015)
C D E Cameron (appointed 4 November 2014)
S G Hullin (appointed 6 June 2014)
R P Constable (appointed 6 June 2014, resigned 23 January 2015)
L Ganem (appointed 22 May 2014, resigned 6 June 2014)
V Owen (appointed 13 June 2014, resigned 20 January 2015)

REGISTERED NUMBER

09052320

REGISTERED OFFICE

Staple Court
11 Staple Inn Buildings
London
WC1V 7QH

INDEPENDENT AUDITORS

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Kingsway
Cardiff
CF10 3PW

TRASCARE INTERCO LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 MARCH 2015

The directors present the Strategic Report of Trascare Interco Limited (the "Company") for the period ended 31 March 2015.

BUSINESS REVIEW

The directors manage the various businesses of Trascare Holdco Limited Group on a group, rather than an individual company basis. As such, a separate business review for 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 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.

This report was approved by the board on 22nd December 2015 and signed on its behalf by:

C D E Cameron
Director



TRACSCARE INTERCO LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2015

The directors present their annual report and the audited financial statements of Tracscare Interco Limited (the "Company") for the period ended 31 March 2015.

The company was incorporated on 22 May 2014 and the financial statements therefore present the results for the 10 month period to 31 March 2015.

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 period amounted to £26,042 .

The directors do not recommend the payment of a dividend.

DIRECTORS

The directors who served during the period and up to the date of signing the financial statements are as shown on page 1.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force.

The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its directors.

FUTURE DEVELOPMENTS

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

FINANCIAL RISK MANAGEMENT POLICIES

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

TRACSCARE INTERCO LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 31 MARCH 2015

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 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company 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.

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 accounts with the registrar, whichever is earlier.

This report was approved by the board on *22nd December 2015* and signed on its behalf by:



C D E Cameron
Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TRACSCARE INTERCO LIMITED

Report on the financial statements

Our opinion

In our opinion, Tracscare 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 2015 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, comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit and Loss Account 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 their preparation comprises applicable law and United Kingdom Accounting Standards (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.

Opinions on other matter prescribed by the Companies Act 2006

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

Other matters on which we are required to report by exception

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.

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 TRACSCARE INTERCO LIMITED

Responsibilities for the financial statements and the audit

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 & 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.

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

Date:

23 December 2015.

TRACSCARE INTERCO LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31 MARCH 2015**

	Note	10 months ended 31 March 2015 £
Administrative expenses		(26,042)
OPERATING LOSS		(26,042)
Interest receivable and similar income		2,618,051
Interest payable and similar charges	4	(2,618,051)
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(26,042)
Tax on loss on ordinary activities	5	-
LOSS FOR THE FINANCIAL PERIOD	10	(26,042)

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 other than those included in the Profit and Loss Account above and therefore no separate Statement of Total Recognised Gains and Losses has been presented.

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

The notes on pages 9 to 13 form part of these financial statements.

TRASCARE INTERCO LIMITED
REGISTERED NUMBER: 09052320

BALANCE SHEET
AS AT 31 MARCH 2015

	Note	2015 £
FIXED ASSETS		
Investments	6	14,604,327
CURRENT ASSETS		
Debtors	7	29,634,219
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>44,238,546</u>
CREDITORS: amounts falling due after more than one year	8	<u>(29,410,261)</u>
NET ASSETS		<u>14,828,285</u>
CAPITAL AND RESERVES		
Called up share capital	9	14,854,327
Profit and loss account	10	(26,042)
TOTAL SHAREHOLDERS' FUNDS	11	<u>14,828,285</u>

The financial statements on pages 7 to 13 were approved and authorised for issue by the board and were signed on its behalf on 22nd December 2015 by:



C D E Cameron
Director

The notes on pages 9 to 13 form part of these financial statements.

TRACSCARE INTERCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

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

The Company is itself a subsidiary company and is exempt from the requirement to prepare group accounts 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.

1.2 Cash flow statement

The Company, has taken advantage of the exemption from preparing a cash flow statement in accordance with Financial Reporting Standard No 1 (revised 1996) 'Cash Flow Statement' as it is a wholly owned subsidiary undertaking and the parent undertaking publishes consolidated financial statements which include a consolidated cash flow statement.

1.3 Related party transactions

The Company has applied the exemption granted by paragraph 3(c) of Financial Reporting Standard 8 'Related Party Disclosures' not to disclose related party transactions with group companies, where 100% or more of the voting rights of the subsidiary company are controlled within the Group.

1.4 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

1.5 Finance costs

Finance costs of debt are initially capitalised and are recognised in the Profit and Loss Account on a straight line basis over the term of the instruments to which they relate.

2. STAFF COSTS

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

3. AUDITORS' REMUNERATION

	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
Fees payable to the Company's auditors in respect of:	
Taxation compliance services	1,750
Other non-audit services	1,000
	<u> </u>

TRACSCARE INTERCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 MARCH 2015**

4. INTEREST PAYABLE AND SIMILAR CHARGES

	10 months ended 31 March 2015 £
Interest on loan notes	2,618,051

5. TAX ON LOSS ON ORDINARY ACTIVITIES

	10 months ended 31 March 2015 £
UK corporation tax charge on loss for the period	-

Factors affecting tax charge for the period

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 21%. The differences are explained below:

	10 months ended 31 March 2015 £
Loss on ordinary activities before tax	(26,042)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 21%	(5,469)
Effects of:	
Non-taxable income	(74,427)
Group relief not paid for	79,896
Current tax charge for the period	-

Factors that may affect future tax charges

The March 2013 Budget Statement announced changes to the UK Corporation tax rates that were substantively enacted as part of the Finance Bill 2013 on 2 July 2013. These reduced the main rate of corporation tax to 21% from 1 April 2014 and to 20% from 1 April 2015. As the changes have been substantively enacted at the balance sheet date their effects are included in these financial statements.

The July 2015 Budget Statement announced further changes to the UK Corporation tax rate which will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020. As the changes have not been substantively enacted at the balance sheet date their effects are not included in these financial statements.

TRACSCARE INTERCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

6. FIXED ASSET INVESTMENTS

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2014	-
Additions	14,604,327
At 31 March 2015	14,604,327
Net book value	
At 31 March 2015	14,604,327

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Tracscare 2006 Holdings Limited	Ordinary	100%
Tracscare 2006 Limited	Ordinary	100%
Tracscare 2007 Holdings Limited	Ordinary	100%
Tracscare 2007 Limited	Ordinary	100%
Tracscare 2006 Group Limited	Ordinary	100%
Tracscare Bidco Limited	Ordinary	100%
Cascade Care Limited	Ordinary	100%
Cascade Care Holdings Limited	Ordinary	100%
Cascade Care Group Limited	Ordinary	100%
Tracscare Group Limited	Ordinary	100%
Tracs Limited	Ordinary	100%
Tracscare 2005 Limited	Ordinary	100%
Tracscare Midco Limited*	Ordinary	100%

*donates directly held, otherwise indirectly held

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 PERIOD ENDED 31 MARCH 2015

7. DEBTORS

	2015 £
Amounts owed by group undertakings	29,634,219

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

8. CREDITORS:

Amounts falling due after more than one year

	2015 £
Other loans	29,410,261

Included within the above are amounts falling due as follows:

	2015 £
Over five years	
Other loans	29,410,261

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

	2015 £
Repayable other than by instalments	29,410,261

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. Interest of 12% per annum is accrued on the notes and is compounded annually, of which £2,615,071 has been accrued and included in the above liability as at 31 March 2015. The loan notes are redeemable at par value plus accrued interest on the 8th anniversary of their issue.

£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 £2,980 has been accrued and included in the above liability as at 31 March 2015. The loan notes are redeemable at par value plus accrued interest on the 8th anniversary of their issue.

A total of £250,000 loan note arrangement fees relating to the A and B loan notes have been offset against the liabilities above.

9. CALLED UP SHARE CAPITAL

	2015 £
Allotted, called up and fully paid	
14,854,327 Ordinary shares of £1 each	14,854,327

TRACSCARE INTERCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2015

9. CALLED UP SHARE CAPITAL (continued)

On incorporation, the Company issued 14,854,327 ordinary shares of £1 each for consideration of £14,854,327. The consideration was settled in cash.

10. PROFIT AND LOSS ACCOUNT

	Profit and loss account £
Loss for the financial period	(26,042)
At 31 March 2015	<u>(26,042)</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2015 £
Opening shareholders' funds	-
Loss for the financial period	(26,042)
Shares issued during the period	14,854,327
Closing shareholders' funds	<u>14,828,285</u>

12. RELATED PARTY TRANSACTIONS

The Company is a wholly owned subsidiary of Tracscare Holdco Limited and is included in the consolidated financial statements of Tracscare Holdco Limited, which are publicly available. Consequently, the Company has taken advantage of the exemption afforded by FRS 8, not to disclose transactions with other companies that are part of the same group.

Tracscare Interco Limited paid a £250,000 loan note arrangement fee to G Square Healthcare Private Equity LLP in the financial year.

13. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company at 31 March 2015 was Tracscare Holdco Limited.

The ultimate parent company at 31 March 2015 was Sundhet Holdings S.A.

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