Registered number: 09052320

# ACCOMPLISH GROUP INTERCO LIMITED

(FORMERLY KNOWN AS TRACSCARE INTERCO LIMITED)

## ANNUAL REPORT AND FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31 MARCH 2018

ACCOMPLISH GROUP INTERCO LIMITED

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**ACCOMPLISH GROUP INTERCO LIMITED**

**COMPANY INFORMATION**

| | |
|---|---|
| **Directors** | P J Battle<br>R Craner<br>S G Hullin |
| **Registered Number** | 09052320 |
| **Registered Office** | Ground Floor<br>2 Parklands<br>Rubery<br>B45 9PZ |
| **Independent Auditors** | KPMG LLP<br>Statutory Auditor<br>One Snowhill<br>Snow Hill Queensway<br>Birmingham<br>B4 6GH |

**ACCOMPLISH GROUP INTERCO LIMITED**

## STRATEGIC REPORT
## FOR THE YEAR ENDED 31 MARCH 2018

The directors present the Strategic Report of Accomplish Group Interco Ltd (the "company") for the year ended 31 March 2018.

### BUSINESS REVIEW

The directors manage the various businesses of the Accomplish Group Holdco Limited Group ("the 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 Accomplish Group Holdco Limited. Neither the Strategic Report nor the Annual Report of Accomplish Group 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 Accomplish Group Holdco Limited, which include those of the Company, are discussed in the Strategic Report contained in the Annual Report of Accomplish Group Holdco Limited. Neither the Strategic Report nor the Annual Report of Accomplish Group Holdco Limited forms part of this report.

### FINANCIAL KEY PERFORMANCE INDICATORS

The directors of Accomplish Group 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 Accomplish Group Interco Limited.

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

The report was approved by the board on 20/12/18 and signed on its behalf by:

**R Craner**
Director

ACCOMPLISH GROUP INTERCO LIMITED

**DIRECTORS' REPORT**
**FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their annual report and the audited financial statements of Accomplish Group Interco Ltd (the "Company") for the year ended 31 March 2018.

## CHANGE OF NAME

On 29 January 2018, the company changed its name to Accomplish Group Interco Limited from Tracscare Interco Limited.

## 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 £64,381 (year ended 31 March 2017: loss of £76,807).

The directors do not recommend the payment of a dividend.

## 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
S G Hullin

## 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.

**DIRECTORS' REPORT**
**FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

## GOING CONCERN

The directors have considered the use of the going concern basis in the preparation of the financial statements. The Company has recorded a loss for the year, however, the Company has net assets at 31 March 2018. The Group is financed by a combination of bank and other loans.

At 31 March 2018, the directors reviewed the performance of the Group against its facilities and have confirmed that the Group has met its loan covenants. Following the refinancing and reduction of the Group's bank debt (see note 18), the directors have reviewed the forecast cash flows and are satisfied that the Group will meet its loan covenant requirements for the foreseeable future and generate sufficient cash to pay its liabilities as they fall due, including financing cash flows. The directors' assessment of both forecast requirements and expected performance against loan covenants covers a period of at least 12 months from the date of this report. The directors have gained assurances from Accomplish Group Holdco Limited that the group will continue to provide support to the Company so that it can meet its liabilities as they fall due.

## FINANCIAL RISK MANAGEMENT

The company is currently funded via loan notes. Interest on these loans is accumulated on a non-cash basis and the loan notes mature in 2022 as set out in note 13. Given the current performance and growth of the group to which Accomplish Group Holdco Limited belongs, the directors consider the risk of not being able to refinance the facilities as relatively low.

**DIRECTORS' REPORT**
**FOR THE YEAR ENDED 31 MARCH 2018 (continued)**

## STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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;
- assess the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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 AUDITOR

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 auditor is 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 auditor's are aware of that information.

ACCOMPLISH GROUP INTERCO LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018 (continued)

**INDEPENDENT AUDITOR**

Under section 487(2) of the Companies Act 2006, KPMG 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 20/12/18 and signed on its behalf by:

**R Craner**
Director

KPMG

# Independent auditor's report

## to the members of Accomplish Group Interco Limited (formerly known as Tracscare Interco Limited)

### 1. Our opinion is unmodified

We have audited the financial statements of Accomplish Group Interco Limited ("the Company") for the year ended 31 March 2018 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, and the related notes, including the accounting policies in note 3.

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 the Company's loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *Financial Reporting Standard applicable in the UK and Republic of Ireland;* and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

| | |
|---|---|
| **Materiality:** Company financial statements as a whole | £640,000 (2017:£560,000)<br>0.8% (2017: 0.8%) of total assets |
| **Coverage** | 100% (2017: 100%) of total assets |

| **Risks of material misstatement vs 2017** | | |
|---|---|---|
| **Recurring risks** | Recoverability of Company's investment in, and amounts due from, its subsidiaries | ◄► |

## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, were as follows.

| | The risk | Our response |
|---|---|---|
| **Recoverability of Company's investment in, and amounts due from, its subsidiaries**<br><br>Investments (£27 million; 2017: £22 million)<br><br>Amounts due (£54 million; 2017: £48 million)<br><br>*Refer to page 15 (accounting policies) and pages 21 to 23 (financial disclosures).* | **Low risk, High value**<br><br>The carrying amount of the Company's investments in, and amounts due from, its subsidiaries represents 100% (2017: 100%) of the company's total assets.<br><br>Their recoverability is not at a high risk of significant misstatement or subject to significant judgement. However, due to their materiality, in the context of the Company financial statements this is considered to be one of the areas that had the greatest effect on our overall Company audit. | **Our procedures included:**<br><br>— **Carrying value comparison:**<br><br>- We compared the carrying amount of the investment in, and the amounts due from subsidiaries, with the relevant subsidiaries' draft balance sheet to identify whether their net assets, being an approximation of their minimum recoverable amount, were in excess of their carrying amount and assessed whether the subsidiaries have historically been profit-making.<br><br>- For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based on a discounted future cash flows based on forecasted performance.<br><br>- Assessing 100% of group debtors to identify, with reference to the relevant debtors' financial statements, whether they have a positive net asset value and therefore coverage of the debt owed, as well as assessing whether those debtor companies have historically been profit-making. |

## 3. Our application of materiality and an overview of the scope of our audit

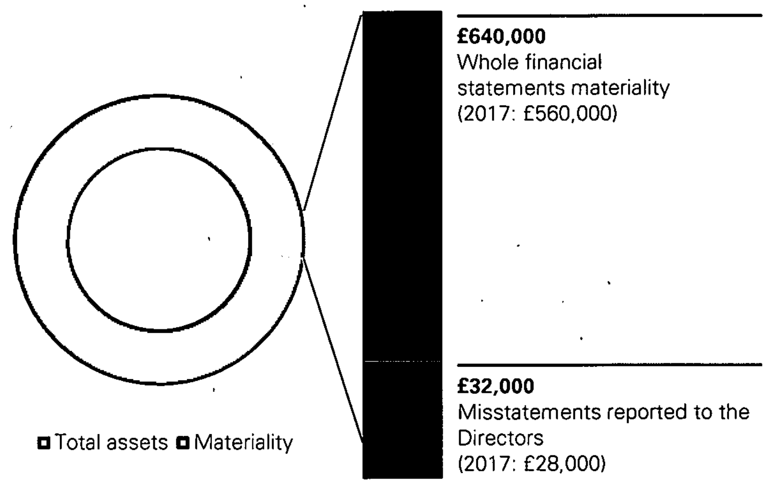
The materiality for the financial statements as a whole was set at £640,000 (2017: £560,000), determined with reference to a benchmark of Total assets of £81 million (2017: £70 million) of which it represents 0.8% (2017: 0.8%). Total assets was deemed to be an appropriate benchmark in view of the nature of the company's operations and because using a profit based benchmark would result in an inappropriately low benchmark that would not be useful basis for determining materiality.

We agreed to report to Directors any corrected or uncorrected identified misstatements exceeding £32,000 (2017: £28,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was all performed at the Company's head office.

**Total assets**
£81 million (2017: £70 million)

**Materiality**
£640,000 (2017: £560,000)



4. **We have nothing to report on going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

5. **We have nothing to report on the other information in the Annual Report**

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

— we have not identified material misstatements in the strategic report and the directors' report;

— in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

— in our opinion those reports have been prepared in accordance with the Companies Act 2006.

6. **We have nothing to report on the other matters on which we are required to report by exception**

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

— adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or

— the Company financial statements are not in agreement with the accounting records and returns; or

— certain disclosures of directors' remuneration specified by law are not made; or

— we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects

7. **Respective responsibilities**

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

8. **The purpose of our audit work and to whom we owe our responsibilities**

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.

S. Smith

**Stuart Smith (Senior Statutory Auditor)**
**for and on behalf of KPMG LLP, Statutory Auditor**
*Chartered Accountants*
One Snowhill
Snow Hill Queensway
Birmingham
B4 6GH

21 December 2018

KPMG

ACCOMPLISH GROUP INTERCO LIMITED

## STATEMENT OF COMPREHENSIVE INCOME
## FOR THE YEAR ENDED 31 MARCH 2018

| | Note | Year ended 31 March 2018 £ | Year ended 31 March 2017 £ |
|---|---|---|---|
| Administrative expenses | | - | - |
| **Operating result** | | - | - |
| Interest receivable and similar income | 7 | 5,786,906 | 5,166,882 |
| Interest payable and similar charges | 8 | (5,851,287) | (5,243,689) |
| **Loss on ordinary activities before taxation** | | (64,381) | (76,807) |
| Tax on loss on ordinary activities | 9 | - | - |
| **Loss for the financial year** | | (64,381) | (76,807) |
| **Total comprehensive expense for the financial year** | | (64,381) | (76,807) |
| **Loss for the financial year attributable to:** | | | |
| | | (64,381) | (76,807) |
| Owners of the Company | | (64,381) | (76,807) |
| **Total comprehensive expense for the financial year attributable to:** | | | |
| Owners of the company | | (64,381) | (76,807) |
| | | (64,381) | (76,807) |

**ACCOMPLISH GROUP INTERCO LIMITED**
**REGISTERED NUMBER: 09052320**

**STATEMENT OF FINANCIAL POSITION**
**AS AT 31 MARCH 2018**

| | Note | | 2018 £ | | 2017 £ |
|---|---|---|---|---|---|
| **FIXED ASSETS** | | | | | |
| Investments | 10 | | 27,084,610 | | 21,834,610 |
| **CURRENT ASSETS** | | | | | |
| Debtors | 11 | 54,011,128 | | 48,224,222 | |
| **CREDITORS:** amounts falling due within one year | 12 | (248,966) | | (247,866) | |
| **NET CURRENT ASSETS** | | | 53,762,162 | | 47,976,356 |
| **TOTAL ASSETS LESS CURRENT LIABILITIES** | | | 80,846,772 | | 69,810,966 |
| **CREDITORS:** amount falling due after one year | 13 | | (53,734,833) | | (47,884,646) |
| **NET ASSETS** | | | 27,111,939 | | 21,926,320 |
| **CAPITAL AND RESERVES** | | | | | |
| Called up share capital | 14 | | 27,334,610 | | 22,084,610 |
| Profit and loss account | 15 | | ( 222,671) | | (158,290) |
| **TOTAL SHAREHOLDERS FUNDS** | | | 27,111,939 | | 21,926,320 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20/12/18 by:

R Craner
**Director**

The notes on pages 13 to 25 form part of these financial statements.

ACCOMPLISH GROUP INTERCO LIMITED

## STATEMENT OF CHANGES IN EQUITY
## FOR THE YEAR ENDED 31 MARCH 2018

| | Called up share capital £ | Profit and loss account £ | Total shareholders' funds £ |
|---|---|---|---|
| At 1 April 2017 | 22,084,610 | (158,290) | 21,926,320 |
| **Contributions by and distributions to owners** | | | |
| Issue of Ordinary shares | 5,250,000 | - | 5,250,000 |
| **Comprehensive expense for the financial year** | | | |
| Loss for the financial year | - | (64,381) | (64,381) |
| At 31 March 2018 | 27,334,610 | (222,671) | 27,111,939 |

## FOR THE YEAR ENDED 31 MARCH 2017

| | Called up share capital £ | Profit and loss account £ | Total shareholders' funds £ |
|---|---|---|---|
| At 1 April 2016 | 19,784,610 | (81,483) | 19,703,127 |
| **Contributions by and distributions to owners** | | | |
| Issue of ordinary shares | 2,300,000 | - | 2,300,000 |
| **Comprehensive expense for the financial year** | | | |
| Loss for the financial period | - | (76,807) | (76,807) |
| At 31 March 2017 | 22,084,610 | (158,290) | 21,926,320 |

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2018**

## 1. GENERAL INFORMATION

Accomplish Group Interco Ltd (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 England, domiciled and registered in the United Kingdom. The address of its registered office is: Ground floor 2 Parklands, Rubery, B45 9PZ.

## 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. The amendments to FRS102 issued in December 2017 have been applied early.

## 3. ACCOUNTING POLICIES

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

### 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.

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.

**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 Accomplish Group Holdco Limited, as at 31 March 2018 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

**3.3 Going Concern**

The directors have considered the use of the going concern basis in the preparation of the financial statements. The Company has recorded a loss for the year, however, the Company has net assets at 31 March 2018. The Group is financed by a combination of bank and other loans.

At 31 March 2018, the directors reviewed the performance of the Group against its facilities and have confirmed that the Group has met its loan covenants. Following the refinancing and reduction of the Group's bank debt (see note 18), the directors have reviewed the forecast cash flows and are satisfied that the Group will meet its loan covenant requirements for the foreseeable future and generate sufficient cash to pay its liabilities as they fall due, including financing cash flows. The directors' assessment of both forecast requirements and expected performance against loan covenants covers a period of at least 12 months from the date of this report. The directors have gained assurances from Accomplish Group Holdco Limited that the group will continue to provide support to the Company so that it can meet its liabilities as they fall due.

**3.4 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 statements of Accomplish Group Holdco Limited (see note 17).

### 3.5 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.

### 3.6 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.

### 3.7 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 statements of Accomplish Group Holdco Limited (see note 17).

### 3.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 3.9 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.

### 3.10 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 the 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.

### 3.11 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.

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

In the application of the Company'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 Company's accounting policies and that have the most significant effect on the financial statements:

**Carrying value of investments**
Determining whether investments are impaired requires an estimation of 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.

**Valuation of amounts owed by group undertakings**
The company assess the recoverability of intercompany balances annually or more frequently if warranted by a change in circumstances. If it is determined that the carry values cannot be recovered, the unrecoverable amounts are charged against current earnings. Recoverability is dependent upon assumptions and judgements regarding market conditions and future cash flows.

## 5. AUDITORS REMUNERATION

| | **Year ended 31 March 2018** | Year ended 31 March 2017 |
|---|---|---|
| | **£** | £ |
| 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 | **-** | - |
| - Other non-audit services | **-** | - |

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.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2018**

## 6. STAFF COSTS

The Company has no employees other than the directors, whose qualifying services to the Company were considered trivial. The directors were remunerated by Accomplish Group Limited for their qualifying services to the group as a whole.

## 7. INTEREST RECEIVEABLE AND SIMILAR INCOME

| | **Year ended 31 March 2018 £** | Year ended 31 March 2017 £ |
|---|---|---|
| Interest on intercompany loans | **5,786,906** | 5,166,882 |
| | **5,786,906** | 5,166,882 |

## 8. INTEREST PAYABLE AND SIMILAR CHARGES

| | **Year ended 31 March 2018 £** | Year ended 31 March 2017 £ |
|---|---|---|
| Interest on loan notes | **5,786,903** | 5,166,893 |
| Amortisation of debt issue costs | **63,284** | 74,216 |
| Other interest payable and similar charges | **1,100** | 2,580 |
| | **5,851,287** | 5,243,689 |

## 9. TAX ON LOSS ON ORDINARY ACTIVITES

| | **Year ended 31 March 2018 £** | Year ended 31 March 2017 £ |
|---|---|---|
| Corporation tax | **-** | - |
| Deferred tax | **-** | - |
| Tax on loss on ordinary activities | **-** | - |

## 9. TAX ON LOSS ON ORDINARY ACTIVITES (continued)

### Factors affecting tax charge for the financial year

The tax assessed for the year is the higher than (2017: higher than) as the standard rate of corporation tax in the UK of 19% (2017: 20%).

| | Year ended 31 March 2018 £ | Year ended 31 March 2017 £ |
|---|---|---|
| Loss on ordinary activities before tax | (64,381) | (76,807) |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 20%) | (12,232) | (15,361) |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | 1,099,511 | 492,811 |
| Non-taxable income | - | (636,335) |
| Transfer pricing adjustments | 1,021,481 | 139,648 |
| Group relief not paid for | (2,108,760) | 19,237 |
| **Total tax charge for the year/period** | - | - |

### Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 19% (effective from 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2018**

## 10. INVESTMENTS

| | Investments in subsidiary companies |
|---|---|
| **Cost** | **£** |
| At 1 April 2017 | **21,834,610** |
| Additions | **5,250,000** |
| **At 31 March 2018** | **27,084,610** |
| **Net book value** | |
| At 31 March 2018 | **27,084,610** |
| At 31 March 2017 | **21,834,610** |

On 11 July 2017 the company purchased ordinary shares in Accomplish Group Midco Limited for £5.25 million, which was carried out in order to fund acquisitions and development projects.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2018**

## 10. INVESTMENTS

### Subsidiary undertakings

The following were subsidiary undertakings of the company whose registered office address is Ground Floor, 2 Parklands, Rubery, B45 9PZ:

| Name | Country of incorporation | Class of shares | Holding | Principal activity |
|---|---|---|---|---|
| Accomplish Group Midco Limited* | United Kingdom | Ordinary | 100% | Holding company |
| Accomplish Group Bidco Limited | United Kingdom | Ordinary | 100% | Holding company |
| Accomplish Group Property Limited | United Kingdom | Ordinary | 100% | Holding company |
| Accomplish Group Limited | United Kingdom | Ordinary | 100% | Care provider |
| Tracscare 2005 Limited | United Kingdom | Ordinary | 100% | Dormant |
| Tracscare 2006 Group Limited | United Kingdom | Ordinary | 100% | Dormant |
| Tracscare 2006 Holdings Limited | United Kingdom | Ordinary | 100% | Dormant |
| Tracscare 2006 Limited | United Kingdom | Ordinary | 100% | Dormant |
| Tracscare 2007 Holdings Limited | United Kingdom | Ordinary | 100% | Dormant |
| Tracscare 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 |
| Milton Park Holdings Limited | Channel Islands | Ordinary | 100% | Holding company |
| Accomplish Group Employee Limited | United Kingdom | Ordinary | 100% | Care provider |
| Moville Holdings Limited | Channel Islands | Ordinary | 100% | Holding company |
| Signia Estates Limited | United Kingdom | Ordinary | 100% | Dormant company |
| Kemble Holdings Limited | Channel Islands | Ordinary | 100% | Holding company |
| Accomplish Group Support Limited | United Kingdom | Ordinary | 100% | Care provider |
| Milton Care Partnership | United Kingdom | Partnership interest | 100% | Care provider |
| Kemble Care Partnership | United Kingdom | Partnership interest | 100% | Care provider |
| Brookdale Care Partnership | United Kingdom | Partnership interest | 100% | Care provider |
| Accomplish Group Care Limited | United Kingdom | Ordinary | 100% | Care provider |
| Accomplish Group Residential Care Limited | United Kingdom | Ordinary | 100% | Care provider |
| Accomplish Group Specialist Care Limited | United Kingdom | Ordinary | 100% | Care provider |
| Accomplish Group Lifestyles Ltd | United Kingdom | Ordinary | 100% | Care provider |
| Accomplish Group (Eilat) Limited | United Kingdom | Ordinary | 100% | Care provider |
| Accomplish Group Lifestyles (South West) Limited | United Kingdom | Ordinary | 100% | Care provider |
| Accomplish Group Cymru Lifestyles South Limited | United Kingdom | Ordinary | 100% | Care provider |
| Your Lifestyle Group Limited | United Kingdom | Ordinary | 100% | Holding company |
| Construction Alliance Recruitment Limited | United Kingdom | Ordinary | 100% | Care Provider |
| Your Lifestyle Nationwide Limited | United Kingdom | Ordinary | 100% | Care Provider |

The directors consider the value of the investments to be supported by their underlying net assets and future cash flows expected to arise.
*Owned directly by the company

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE YEAR ENDED 31 MARCH 2018**

## 11. DEBTORS

| | 2018<br>£ | 2018<br>£ |
|---|---|---|
| **Due within one year** | | |
| Amount owed by group undertakings | **54,011,128** | 48,224,222 |

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

## 12. CREDITORS:
**Amounts falling due within one year**

| | 2018<br>£ | 2017<br>£ |
|---|---|---|
| Amount owed to group undertakings | **248,966** | 247,866 |

The amounts owed to group undertakings falling due within one year are unsecured, no interest is charged and are repayable on demand.

## 13. CREDITORS:
**Amounts falling due after one year**

| | 2018<br>£ | 2017<br>£ |
|---|---|---|
| Other loans | **53,734,833** | 47,884,646 |

## 13. 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 £18,953,992 has been accrued and included in the above liability as at 31 March 2018. 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 £20,573 has been accrued and included in the above liability at 31 March 2018. The loan notes are redeemable at par value plus accrued interest on the 8th anniversary of their issue.

A total of £276,303 (2017: £339,587) amortised loan note arrangement fees relating to the A and B loan notes have been offset against the liabilities above.

## 14. CALLED UP SHARE CAPITAL

| | **2018** | 2017 |
|---|---|---|
| | **£** | £ |
| **Allotted, called up and unpaid** | | |
| 27,334,610 (2017: 22,084,610) Ordinary shares of £1 (2017: £1) | **27,334,610** | 22,084,610 |

On 11 July 2017 a further 5,250,000 Ordinary shares at a par value of £1 were issued for consideration of £5,250,000.

## 15. 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.

## 16. 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.

## 17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company at 31 March 2018 was Accomplish Group Holdco Limited.

In the opinion of the directors, at 31 March 2018, the ultimate parent undertaking and controlling party is considered to be Sundhet Holding SA.

Accomplish Group 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 Tracscare Holdco Limited are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

## 18. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 6th July 2018, the Group acquired 100% of the share capital of Freedom Care Limited, a company that provides residential services to adults with complex health needs such as Autism, Personality Disorders and Learning Disabilities for an initial consideration of £4.6million, with a maximum deferred consideration of £0.9million payable at a future date depending on the acquisition exceeding certain financial performance measures.

On 29th November 2018, the Group completed a re-financing of its main bank loans and facilities extending 7 years from completion. This involved the sale and leaseback of a number of the groups freehold properties for gross proceeds of £27.5million and a reduction in the total banking facility liabilities of £21.6million.