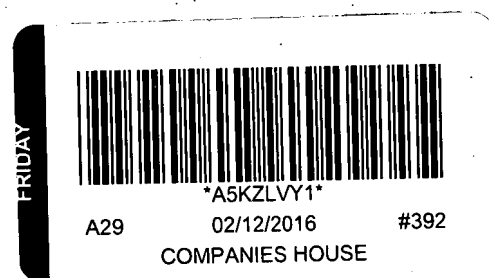


Registered number: 09052879

TRACSCARE BIDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2016



TRACSCARE BIDCO LIMITED

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TRASCARE BIDCO LIMITED

COMPANY INFORMATION

Directors	P J Battle R Craner (appointed 20 July 2016) S G Hullin C Cameron (resigned 8 September 2016)
Registered Number	09052879
Registered Office	Staple Court 11 Staple Inn Buildings London WC1V 7QH
Bankers	Barclays Bank plc 70, The Kingsway Swansea SA1 5JB
Solicitors	Goodwin Proctor (UK) LLP Tower 42 25 Old Broad Street London EC2N 1HQ
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

TRASCARE BIDCO LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

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

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 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 Bidco 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 BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their annual report and the audited financial statements of Trascare Bidco 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 £12,877,366 (10 month period to 31 March 2015: loss of £6,757,052).

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.

EVENTS AFTER THE END OF THE REPORTING PERIOD

On 24th October 2016, the Company acquired 100% of the share capital of New Bridges Residential Care Limited, New Bridges Care Limited and New Bridges Specialist Care Limited. The companies provide a specialist residential and outreach service for individuals who have acquired brain injury, complex needs and learning disabilities.

FINANCIAL RISK MANAGEMENT

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

TRASCARE BIDCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

GOING CONCERN

As at 31 March 2016 the company had net liabilities of £99,908 (2015: net assets of £7,847,275). This position arises as the Company holds the majority of the debt finance of the Trascare Holdco group. The directors consider the Company to be a going concern on the basis that assurances have been provided by Trascare Holdco Limited that the group will continue to provide support to the Company so that it can meet its liabilities as they fall due.

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.

TRACSCARE BIDCO LIMITED

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

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 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 Tracscare Bidco Limited

Report on the financial statements

Our opinion

In our opinion, Tracscare Bidco 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.

Opinion on other matter prescribed by the Companies Act 2006

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.

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 Trascare Bidco 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 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.

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 BIDCO LIMITED

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

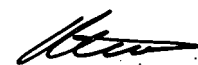
	Note	Year ended 31 March 2016 £	10 months ended 31 March 2015 £
Administrative expenses		(126,918)	(99,899)
Exceptional items	7	(121,882)	(1,600,332)
OPERATING LOSS		(248,800)	(1,700,231)
Interest receivable and similar income		-	1,268
Interest payable and similar charges	8	(12,628,566)	(5,058,089)
Loss on ordinary activities before taxation		(12,877,366)	(6,757,052)
Tax on loss on ordinary activities	9	-	-
Loss for the financial year/period		(12,877,366)	(6,757,052)
Total comprehensive expense for the financial year/period		(12,877,366)	(6,757,052)
Loss for the financial year/period attributable to:			
Owners of the parent Company		(12,877,366)	(6,757,052)
		(12,877,366)	(6,757,052)
Total comprehensive expense for the financial year/period attributable to:			
Owners of the company		(12,877,366)	(6,757,052)
		(12,877,366)	(6,757,052)

TRACSCARE BIDCO LIMITED
REGISTERED NUMBER: 09052879

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2016

	Note	2016 £	2015 £
FIXED ASSETS			
Investments	10	43,281,323	15,445,380
CURRENT ASSETS			
Debtors	11	79,495,315	31,915,000
Cash		<u>1,040,756</u>	<u>2,562</u>
		80,536,071	31,917,562
CREDITORS: amounts falling due within one year	12	<u>(58,084,815)</u>	<u>(1,791,643)</u>
NET CURRENT ASSETS		22,451,256	30,125,919
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>65,732,579</u>	<u>45,571,299</u>
CREDITORS: amount falling due after one year	13	(65,832,387)	(37,724,024)
NET (LIABILITIES)/ASSETS		<u>(99,808)</u>	<u>7,847,275</u>
CAPITAL AND RESERVES			
Called up share capital	14	19,534,610	14,604,327
Profit and loss account	15	<u>(19,634,418)</u>	<u>(6,757,052)</u>
TOTAL SHAREHOLDERS (DEFECIT)/FUNDS		<u>(99,808)</u>	<u>7,847,275</u>

The financial statements on pages 8 to 23 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 23 form part of these financial statements.

TRACSCARE BIDCO LIMITED

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

	Called up share capital £	Profit and loss account £	Total shareholders' surplus/ (deficit) £
At 1 April 2015	14,604,327	(6,757,052)	7,847,275
Contributions by and distributions to owners			
Issue of ordinary shares	4,930,283	-	4,930,283
Comprehensive expense for the financial year			
Loss for the financial year	-	(12,877,366)	(12,877,366)
At 31 March 2016	<u>19,534,610</u>	<u>(19,634,418)</u>	<u>(99,808)</u>

FOR THE 10 MONTHS ENDED 31 MARCH 2015

	Called up share capital £	Profit and loss account £	Total shareholders' surplus/ (deficit) £
At 22 May 2014	-	-	-
Contributions by and distributions to owners			
Issue of ordinary shares	14,604,327	-	14,604,327
Comprehensive expense for the financial period			
Loss for the financial period	-	(6,757,052)	(6,757,052)
At 31 March 2015	<u>14,604,327</u>	<u>(6,757,052)</u>	<u>7,847,275</u>

TRACSCARE BIDCO LIMITED

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

1. GENERAL INFORMATION

Tracscare Bidco 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 19.

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 19.

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 consolidated 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.

**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 Going concern

As at 31 March 2016 the company had net liabilities of £99,908 (2015: net assets of £7,847,275). This position arises as the Company holds the majority of the debt finance of the Tracscare Holdco group. The directors consider the Company to be a going concern on the basis that assurances have been provided by Tracscare 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 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 BIDCO LIMITED

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

3.6 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.

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 statement of Tracscare Holdco Limited.

3.8 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.

3.9 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

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

3.9 Current and deferred taxation (continued)

- 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 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.

TRACSCARE BIDCO LIMITED

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

3.10 Financial Instruments (continued)

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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.

3.12 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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:

TRACSCARE BIDCO 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 (continued)

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	2,500	2,500
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.

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. EXCEPTIONAL ITEMS

	Year ended 31 March 2016 £	10 months ended 31 March 2015 £
Costs relating to restructure and refinancing	121,882	1,600,332

The costs incurred in the financial year ended 31 March 2016 relate to restructuring of the group following the acquisition of the Brookdale group of companies. Costs in the prior year relate to the refinancing and restructuring of the group.

TRACSCARE BIDCO LIMITED

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

8. INTEREST PAYABLE AND SIMILAR CHARGES

	Year ended 31 March 2016 £	10 months ended 31 March 2015 £
Interest on bank loans	4,688,064	2,057,077
Interest on loans from group undertakings	4,353,369	2,618,051
Amortisation of debt issue costs	3,114,386	338,237
Other similar charges	472,747	-
	<u>12,628,566</u>	<u>5,013,365</u>

9. 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 BIDCO LIMITED

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

9. TAX ON LOSS ON ORDINARY ACTIVITIES (continued)

Factors affecting tax charge for the financial year

The tax assessed for the year is lower than (2015: lower 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>(12,877,366)</u>	<u>(6,757,052)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015: 21%)	(2,575,473)	(1,418,981)
Effects of:		
Expenses not deductible for tax purposes	551,582	2,161,411
Transfer pricing adjustments	1,206,990	-
Group relief not paid for	-	(742,430)
Deferred tax movement not recognised	816,901	-
Total tax charge for the year	<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 £735,211 (2015: £NIL) at the standard rate of UK corporation tax of 18%, has not been recognised on the grounds that there is insufficient evidence that the asset will be recoverable.

TRACSCARE BIDCO LIMITED

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

10. INVESTMENTS

	Investments in subsidiary companies £
Cost	
At 1 April 2015	15,445,380
Additions	27,835,943
At 31 March 2016	43,281,323
Net book value	
At 31 March 2016	43,281,323
At 31 March 2015	<u>15,445,380</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding Principal activity
Tracscare Group Limited	United Kingdom	Ordinary	100% Holding company
Tracs 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
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 BIDCO LIMITED

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

11. DEBTORS

	2016	2015
	£	£
Due within one year		
Amounts owed by group undertakings	78,322,161	31,906,767
Other debtors	1,149,182	-
Prepayments and accrued income	23,972	8,233
	<u>79,495,315</u>	<u>31,915,000</u>

Amounts owed by group undertakings are unsecured, interest free and carry no fixed terms of repayment.

12. CREDITORS:

Amounts falling due within one year

	2016	2015
	£	£
Bank loans and overdrafts	-	1,704,000
Amounts owed to group undertakings	57,939,000	-
Accruals and deferred income	145,815	42,919
	<u>58,084,815</u>	<u>1,746,919</u>

Details of the bank loans are included in note 13.

Amounts owed to group undertakings are unsecured, interest free and carry no fixed terms of repayment.

TRACSCARE BIDCO LIMITED

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

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

	2016	2015
	£	£
Bank loans	<u>65,832,387</u>	<u>37,724,024</u>

Included in the above are amounts falling due as follows:

	2016	2015
	£	£
Between one and two years		
Bank loans	<u>-</u>	<u>2,408,000</u>
Between two and five years		
Bank loans	<u>-</u>	<u>5,484,000</u>
Over five years		
Bank loans	<u>65,832,387</u>	<u>29,832,024</u>

Bank loans

On 7th July 2015 the Group refinanced the Group bank debt. The existing facilities were paid off in full and replaced with new facilities which comprised of a Unitranche Loan, a Capex/Acquisition Facility and a Revolving Credit Facility.

The Unitranche loan is for £70,000,000, carries an interest rate of 7.25% plus LIBOR and is fully repayable in April 2022.

The Capex/Acquisition Facility is for £12,000,000, of which £6,000,000 was both drawn and repaid during the year. The Facility carries interest of 7.25% plus LIBOR.

The Revolving Credit Facility is for £3,000,000 was not utilized during the year. The Facility carries interest of 3.15% plus LIBOR.

All the facilities are secured against the properties held by the group, with a floating charge over the other assets of the group.

TRASCARE BIDCO LIMITED

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

14. CALLED UP SHARE CAPITAL

	2016 £	2015 £
Allotted, called up and fully paid		
19,534,610 (2015: 14,604,327) Ordinary shares of £1 (2015: £1)	<u>19,534,610</u>	<u>14,604,327</u>

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

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. CROSS COMPANY GUARANTEE

The Company is bound by unlimited multilateral cross guarantees with fellow group companies in respect of bank and loan note borrowings. The maximum amount for which the Company would become liable at the balance sheet date as a result of the arrangement would be £70,116,000 (2015: £8,656,187).

17. 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.

18. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate parent company at 31 March 2016 was Trascare Midco Limited and the ultimate parent company at 31 March 2016 was Trascare Holdco Limited.

There was no ultimate controlling party 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.

TRACSCARE BIDCO LIMITED

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

19. FIRST TIME ADOPTION OF FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 22 May 2014. The impact of the transition to FRS102 is as follows:

Reconciliation of equity at 31 March 2015

	£
Equity at 31 March 2015 under previous UK GAAP	7,891,999
Recognition of interest rate swap	(44,724)
Equity shareholders' funds at 31 March 2015 under FRS102	<u>7,847,275</u>

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

	£
Loss for the period under UK GAAP	(6,712,328)
Recognition of interest rate swap	(44,724)
Loss for the period ended 31 March 2015 under FRS 102	<u>(6,757,052)</u>

On transition to FRS102, the Company recognised the fair value of an interest rate swap which has been settled in the current year.

20. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 24th October 2016, the Company acquired 100% of the share capital of New Bridges Residential Care Limited, New Bridges Care Limited and New Bridges Specialist Care Limited. The companies provide a specialist residential and outreach service for individuals who have acquired brain injury, complex needs and learning disabilities.