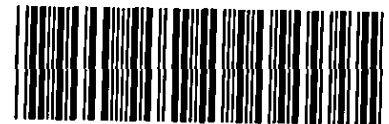


Acaena Limited

Annual report and financial statements  
for the year ended 30 September 2010

Registered Number: SC290790

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# Acaena Limited

## Annual report and financial statements

### for the year ended 30 September 2010

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# **Acaena Limited**

## **Directors' report for the year ended 30 September 2010**

The directors present their report together with the audited financial statements of the company for the year ended 30 September 2010. The company's registered number is SC290790.

### **Principal activity**

The principal activity during the current year was the operation of a care home.

### **Business review and future developments**

The loss for the financial year amounted to £546,000 (2009: loss of £252,000).

The directors have not proposed the payment of a dividend (2009: £nil).

### **Going concern**

The company is a wholly owned subsidiary of Southern Cross Healthcare Group PLC. Southern Cross Healthcare Group PLC has undertaken to provide financial support to the company to the extent necessary for the foreseeable future.

### **Principal risks and uncertainties**

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are integrated with those of the group and are not identified separately. Further discussion of these risks and uncertainties and of future performance, in the context of the Southern Cross Healthcare Group PLC as a whole, is provided in the group's annual report which does not form part of this report.

### **Key performance indicators ('KPIs')**

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business. The development, performance and position of Southern Cross Healthcare Group PLC, which includes the company, is discussed in the group's annual report which does not form part of this report.

### **Financial risk management**

The company's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk) and credit risk. Risk management is carried out by the Southern Cross Healthcare Group PLC Risk Management Committee under policies approved by the board of directors.

#### **Cash flow interest rate risk**

The company's interest rate risk arises from intercompany borrowings, receivables and cash balances and therefore the risk is considered minimal.

#### **Credit risk**

Credit risk is managed on a group basis. Credit risk arises from cash and deposits with banks and financial institutions, as well as credit exposures to residents, including outstanding receivables. For banks and financial institutions, only institutions with a short term credit rating, as determined by Moody's, of P-1 are accepted.

# Acaena Limited

## Directors

The directors, who held office during the period and up to the date of signing the financial statements, were as follows:

R Midmer	(Resigned 31 December 2010)
K Foulkes	(Resigned 31 December 2009)
W Buchan	
D Smith	(Appointed 11 December 2009)

## Directors' responsibilities

The directors are responsible for preparing 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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; and
- state whether applicable International Financial Reporting Standards (IFRSs) as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements.

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

In accordance with Section 418 of the Companies Act 2006 it is hereby stated that in the case of each director in office at the date the directors' report is approved, that:

(a) so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and

(b) he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



W McLeish

Company secretary

25 January 2011

## **Independent auditors' report to the members of Acaena Limited**

We have audited the financial statements of Acaena Limited for the year ended 30 September 2010 which comprise the income statement, the balance sheet, the cash flow statement, the statement of changes in shareholders' deficit, the statement of accounting policies and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 the financial statements in accordance with applicable law and International Standards on Auditing (UK and 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.

### **Scope of the audit of the financial statements**

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.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

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

# Acaena Limited

## **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Randal Casson (Senior Statutory Auditor)**

**for and on behalf of PricewaterhouseCoopers LLP**

**Chartered Accountants and Statutory Auditors**

**Newcastle Upon Tyne**

**25 January 2011**

# Acaena Limited

## Income statement for the year ended 30 September 2010

	Note	2010 £'000	2009 £'000
<b>Revenue</b>		<b>263</b>	<b>195</b>
Payroll costs	2	(399)	(139)
Home running costs		(138)	(26)
Home EBITDAR <sup>1</sup>		(274)	30
Rent		(316)	(306)
EBITDA <sup>2</sup>		(590)	(276)
Depreciation	5	(110)	(71)
<b>Operating loss</b>		<b>(700)</b>	<b>(347)</b>
Finance costs	3	(56)	(19)
<b>Loss before taxation</b>		<b>(756)</b>	<b>(366)</b>
Taxation	4	210	114
<b>Loss for the year attributable to the owners of the company</b>		<b>(546)</b>	<b>(252)</b>

<sup>1</sup> EBITDAR represents earnings before interest, tax, depreciation and rent.

<sup>2</sup> EBITDA represents earnings before interest, tax and depreciation.

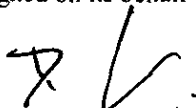
There is no other comprehensive income for the year.

# Acaena Limited

## Balance sheet as at 30 September 2010

	Note	2010 £'000	2009 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Deferred tax assets	10	26	31
Property, plant and equipment	5	499	530
<b>Total non-current assets</b>		<b>525</b>	<b>561</b>
<b>Current assets</b>			
Trade receivables	6	60	66
Other current assets	6	-	16
Current tax asset	4	201	83
<b>Total current assets</b>		<b>261</b>	<b>165</b>
<b>Total assets</b>		<b>786</b>	<b>726</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Financial liabilities	7	(1)	-
Payables	8	(1,824)	(1,219)
<b>Total current liabilities</b>		<b>(1,825)</b>	<b>(1,219)</b>
<b>Net liabilities</b>		<b>(1,039)</b>	<b>(493)</b>
<b>Equity</b>			
Ordinary shares	11	-	-
Accumulated deficit		(1,039)	(493)
<b>Total deficit</b>		<b>(1,039)</b>	<b>(493)</b>

The financial statements on pages 5 to 20 were approved by the board of directors on 25 January 2011 and signed on its behalf by:

  
D Smith  
Director



# Acaena Limited

## Cash flow statement for the year ended 30 September 2010

	Note	2010 £'000	2009 £'000
<b>Cash flows from operating activities</b>			
Cash generated from operations	12	37	621
Interest paid	3	(56)	(20)
Tax received		97	-
Net cash generated from operating activities		78	601
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(79)	(601)
Net cash used in from investing activities		(79)	(601)
Net decrease in cash and cash equivalents		(1)	-
Opening cash and cash equivalents		-	-
Closing cash and cash equivalents	7	(1)	-

## Statement of changes in shareholders' deficit

	Ordinary shares £'000	Accumulated deficit £'000	Total deficit £'000
At 29 September 2008	-	(241)	(241)
Loss for the year attributable to the owners of the company	-	(252)	(252)
At 27 September 2009	-	(493)	(493)
Loss for the year attributable to the owners of the company	-	(546)	(546)
At 30 September 2010	-	(1,039)	(1,039)

## Statement of accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### Basis of preparation

These financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards ("IFRS"), International Financial Reporting Interpretations Committee ("IFRIC") interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the going concern basis under the historical cost convention

At the start of the financial year the company changed its internal reporting cycles and now reports on a calendar monthly basis. The results for the period ended 30 September 2010 are therefore for a period of 368 days (2009: 364 days).

The following new standards, amendments and interpretations, which are in issue at the balance sheet date but not yet effective, have not been applied in these financial statements:

Effective for periods commencing on or after

IFRS9: 'Financial instruments' 1 January 2013

IAS24 Revised: 'Related party disclosures' 1 January 2011

Amendment to IFRS7: 'Financial instruments: Disclosures' 1 July 2011

Amendment to IFRIC14: 'Pre-payments of a Minimum Funding Requirement' 1 January 2011

IFRIC18: 'Transfer of Assets from Customers' 30 October 2009

IFRIC19: 'Extinguishing Financial Liabilities with Equity Instruments' 1 July 2010

Annual improvements 2010 1 January 2011

It is considered that the above standards, amendments and interpretations will not have a significant effect on the results or net assets of the company.

From 28 September 2009, the following standards, amendments and interpretations became effective and were adopted by the company:

IFRS8: 'Operating segments'

IAS1 Revised: 'Presentation of financial statements'

IAS23 Revised: 'Borrowing costs'

IAS27 Revised: 'Consolidated and separate financial statements'

IFRS1 Revised: 'First time adoption of IFRS'

IFRS3 Revised: 'Business combinations'

IFRIC13: 'Customer Loyalty Programmes'

IFRIC14: 'The Limit on a Defined Benefit Asset'

IFRIC15: 'Agreements for the Construction of Real Estate'

IFRIC16: 'Hedges of a Net Investment Including Foreign Operations'

Amendment to IAS39: 'Financial instruments: Recognition and measurement', and IFRS7: 'Financial instruments: Disclosures' on the reclassification of financial assets

Amendment to IFRIC9 and IAS39 regarding embedded derivatives

Amendment to IFRS1: 'First time adoption of IFRS' and IAS27: 'Consolidated and separate financial statements' on the cost of an investment in a subsidiary, jointly controlled entity or associate

## **Acaena Limited**

### **Annual improvements to IFRSs (2008)**

Amendment to IAS32: 'Financial instruments: Presentation' and IAS1: 'Presentation of financial statements on puttable financial instruments and obligations arising on liquidation'

Amendment to IFRS2, 'Share-based payments' on vesting conditions and cancellations

### **Annual improvements 2009**

Amendment to IFRS2: 'Share-based payments - Group cash-settled share-based payment transactions'

Amendments to IFRS1: for additional exemptions

Amendments to IAS32: 'Financial instruments: Presentation on classification of rights issues'

Amendment to IAS39: 'Financial instruments: Recognition and measurement' on eligible hedged items

IFRIC17: 'Distribution of Non Cash Assets to Owners'

The adoption of these standards, amendments and interpretations has not had a significant impact on the company's result for the year or equity.

### **Ultimate parent company support**

The company is a wholly owned subsidiary of Southern Cross Healthcare Group PLC. Southern Cross Healthcare Group PLC has undertaken to provide financial support to the company to the extent necessary for the foreseeable future.

### **Payroll costs**

Payroll costs represent payroll costs directly incurred.

### **Administrative expenses**

Home running costs represent costs of items directly incurred at home level, including food and kitchen supplies, medical supplies, utilities, maintenance and other running costs of the home.

### **Home EBITDAR**

Home EBITDAR represents profitability at a home level after taking account of home payroll and home running costs, but before rental charges on operating leases and depreciation on home assets.

### **EBITDA**

EBITDA represents earnings before interest, tax and depreciation.

The company believes that EBITDA facilitate operating performance comparisons from period to period by eliminating potential differences caused by variations in capital structures (affecting finance income and costs), tax positions and the age and book depreciation of property, plant and equipment (affecting relative depreciation expense).

### **Property, plant and equipment**

Property, plant and equipment is stated at historical cost less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price of the asset and costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all property, plant and equipment at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the balance sheet date, of each asset on a straight line basis over its estimated useful life as follows:

Fixtures, fittings and equipment – 10% - 33⅓% reducing balance

## **Acaena Limited**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are recognised within central costs, in the income statement.

### **Employee benefit costs**

Staff costs comprise salaries and wages for the company's staff.

### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in first-out (FIFO) method. Where necessary, impairment is made for obsolete, slow moving and defective stocks.

### **Taxation including deferred tax**

The tax expense represents the sum of the current tax and deferred tax.

The current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been in force during the period.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised. Deferred tax is calculated at the average tax rates that are expected to apply in the period when the liability is settled or the asset is realised.

Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

### **Trade receivables**

Trade receivables defined in accordance with IAS 39 are recorded initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment for any doubtful amounts. A provision for impairment of trade receivables is established when there is evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets' carrying amount and the present value of future cash flows discounted at the effective interest rate. The movement in the provision is recognised in the income statement.

Any other receivables are recognised at their original amount less an allowance for any doubtful amounts. An allowance is made when collection of the full amount is no longer considered probable.

# Acaena Limited

## **Other current assets**

Other current assets comprise other receivables, which are measured at the best estimate of the income required to settle the obligation.

## **Payables**

Payables comprise amounts owed to group undertakings, which are measured at the best estimate of the expenditure required to settle the obligation.

## **Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

## **Fair value estimation**

The carrying value of trade receivables and other current assets and payables are assumed to approximate their fair values.

## **Financial risk management**

The company's activities expose it to a variety of financial risks: market risk (including cash flow interest rate risk), and credit risk. Risk management is carried out by the Southern Cross Healthcare Group PLC Risk Management Committee under policies approved by the board of directors.

## **Cash flow interest rate risk**

The company's interest rate risk arises from intercompany borrowings, receivables and cash balances and therefore the risk is considered minimal.

## **Credit risk**

Credit risk is managed on a group basis. Credit risk arises from cash and deposits with banks and financial institutions, as well as credit exposures to residents, including outstanding receivables. For banks and financial institutions, only institutions with a short term credit rating, as determined by Moody's, of P-1 are accepted.

# Acaena Limited

## Notes to the financial statements for the year ended 30 September 2010

### 1 Operating loss

	2010	2009
	£'000	£'000
The following items have been included in arriving at operating loss:		
Staff costs (note 2)	399	139
Depreciation of property, plant and equipment – owned assets	110	71

Audit fees in the current and prior year have been borne by another group company, Southern Cross Healthcare Limited.

### 2 Employees and directors

The aggregate costs of staff were:

	2010	2009
	£'000	£'000
Wages and salaries	367	128
Social security costs	31	11
Pension costs	1	-
	399	139

The average monthly number of staff employed by the company during the year was as follows:

By activity	2010	2009
	Number	Number
Nursing staff	19	13
Administrative staff	3	1
Total staff	22	14

Directors' emoluments in the current and prior year were paid by Southern Cross Healthcare Limited, another group company. Their services to this company and to a number of other subsidiaries are of a non-executive nature and their emoluments are deemed to be wholly attributable to their services to the parent company.

# Acaena Limited

## 3 Finance costs

	2010	2009
	£'000	£'000
Interest payable on amounts owed to group undertakings	56	19

## 4 Taxation

	2010	2009
	£'000	£'000
Current tax		
– current year	(201)	(82)
– prior year	(14)	-
Deferred tax (note 10)		
– current year	(9)	(29)
– prior year	14	(3)
<b>Taxation</b>	<b>(210)</b>	<b>(114)</b>

The current rate applicable to the company for the year ended 30 September 2010 was 28% (2009: 28%).

The tax for the year differs to the standard rate of corporation tax in the UK 28% (2009: 28%). The differences are explained below:

	2010	2009
	£'000	£'000
<b>Loss before taxation</b>	<b>(756)</b>	<b>(366)</b>
Loss before taxation multiplied by the standard rate of corporation tax in the UK of 28% (2009: 28%)	(212)	(102)
<i>Effects of:</i>		
Adjustments in respect of prior years	-	(3)
Benefit of hive in	-	(169)
Losses hived in not recognised	-	159
Expenses not deductible for tax purposes	1	1
Rate difference	1	-
<b>Tax credit for the year</b>	<b>(210)</b>	<b>(114)</b>

## Acaena Limited

A deferred tax asset of £216,000 (2009: £224,000) in relation to losses of £800,000 (2009: £800,000) has not been recognised due to uncertainty of future taxable profits.

The deferred tax charge in the current year is impacted by the change in the standard rate of corporation tax from 28% to 27% in April 2011. This has reduced the value of the company's tax asset by £1,000. The rate change will impact on the current tax charge going forward

## 5 Property, plant and equipment

	Fixtures and fittings £'000	Short leasehold properties £'000	Total £'000
<b>Cost</b>			
At 29 September 2008	-	-	-
Additions	504	97	601
At 27 September 2009	504	97	601
Additions	32	47	79
<b>At 30 September 2010</b>	<b>536</b>	<b>144</b>	<b>680</b>
<b>Accumulated depreciation</b>			
At 29 September 2008	-	-	-
Charge for the year	71	-	71
At 27 September 2009	71	-	71
Charge for the year	105	5	110
<b>At 30 September 2010</b>	<b>176</b>	<b>5</b>	<b>181</b>
<b>Net book amount</b>			
<b>At 30 September 2010</b>	<b>360</b>	<b>139</b>	<b>499</b>
At 27 September 2009	433	97	530



**6 Trade receivables and other current assets**

	2010 £'000	2009 £'000
Trade receivables	60	66
Less: provision for impairment of receivables	-	-
<b>Trade receivables - net</b>	<b>60</b>	<b>66</b>
Other receivables	-	16
<b>Other current assets</b>	<b>-</b>	<b>16</b>

The fair value of trade receivables and other current assets is equal to the amounts shown above. The ageing analysis of trade receivables and the associated provision for impairment is shown below:

	2010 Gross value £'000	2010 Provision for impairment £'000	2009 Gross value £'000	2009 Provision for impairment £'000
Not yet due	18	-	28	-
Past due 0-62 days	24	-	35	-
Past due 62-122 days	11	-	3	-
Past due 122 days	7	-	-	-
	<b>60</b>	<b>-</b>	<b>66</b>	<b>-</b>

The carrying value of trade receivables and other current assets is stated after a provision for impairment of receivables has been made. The provision for impairment for trade receivables is calculated on an individual account by account assessment based on past and current credit history. There is no concern over the credit quality of amounts past due not impaired since the risk is spread over a number of unrelated counterparties which include local Government.

The other classes within trade receivables and other current assets do not contain impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

# Acaena Limited

## 7 Financial liabilities

### (a) Short term financial liabilities

	2010	2009
	£'000	£'000
Bank loans and overdrafts	1	-

## 8 Payables

	2010	2009
	£'000	£'000
Amounts owed to group undertakings	1,805	1,219
Other payables	19	-
	1,824	1,219

Trade and other payables are not subject to interest. Amounts owed to group undertakings are unsecured, repayable upon demand and interest is charged at 4% (2009: 5%).

## 9 Financial instruments

Numerical financial instruments disclosures are set out below.

In accordance with IAS 39, "Financial instruments: Recognition and measurement", management has reviewed contracts for embedded derivatives that are required to be separately accounted for if they do not meet certain requirements set out in the standard. No such embedded derivatives were found.

### Financial instruments by category

The accounting policies for financial instruments have been applied to the line items below:

	2010	2009
	Loans and receivables	Loans and receivables
	£'000	£'000
Assets as per balance sheet		
Trade receivables	66	-
Other current assets	16	-
	82	-

# Acaena Limited

	2010 Other financial liabilities £'000	2009 Other financial liabilities £'000
<b>Liabilities as per balance sheet</b>		
Short term financial liabilities	1	-
Payables	1,805	1,219
	<b>1,806</b>	<b>1,219</b>

The directors consider that the carrying amount of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

Financial assets and liabilities are denominated in sterling.

## 10 Deferred taxation

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 27% (2009: 28%).

The movement on the deferred tax account is as shown below:

	2010 £'000	2009 £'000
Opening balance – (asset)/liability	(31)	1
Income and expense charge/(credit)	5	(32)
Closing balance – asset	(26)	(31)

The movements in deferred tax assets and liabilities during the year are shown below.

Deferred tax	Accelerated capital allowances £'000
At 28 September 2009	31
Income and expense charge	(5)
<b>At 30 September 2010</b>	<b>26</b>

Deferred tax assets are expected to be recovered in more than 12 months. Deferred tax assets have been recognised on the basis that it is expected that there will be appropriate and sufficient taxable profits arising in future periods.

# Acaena Limited

## 11 Ordinary shares

	2010	2009
	£	£
<b>Authorised share capital</b>		
1,000 ordinary shares of £1 each	1,000	1,000
<b>Allotted and fully paid</b>		
100 ordinary shares of £1 each	100	100

## 12 Cash flows from operating activities

Reconciliation of operating loss to net cash flow from operating activities:

	2010	2009
	£'000	£'000
Operating loss	(700)	(347)
<i>Adjustments for:</i>		
Depreciation	110	71
<i>Changes in working capital</i>		
Decrease/(increase) in trade receivables and other current assets	22	(82)
Increase in trade and other payables	605	979
<b>Cash generated from operating activities</b>	<b>37</b>	<b>621</b>

# Acaena Limited

## 13 Related party transactions

The majority of the transactions in the current period were funded through the bank account held in Southern Cross Healthcare Limited which is central to the group's treasury activities. The main transactions with group companies are disclosed below:

Year ended 30 September 2010:

	Interest paid	Working capital movement decrease	Amounts owed to
	£'000	£'000	£'000
<b>Fellow subsidiary undertakings</b>	<b>(56)</b>	<b>(501)</b>	<b>(1,805)</b>

Year ended 29 September 2009:

	Interest paid	Working capital movement decrease	Amounts owed to
	£'000	£'000	£'000
<b>Fellow subsidiary undertakings</b>	<b>(19)</b>	<b>(953)</b>	<b>(1,219)</b>

During the year the company paid management charges of £29,000 (2009: £7,000) to Southern Cross Healthcare Ltd.

The key management of the company are deemed to be the Board of Directors who have authority and responsibility for planning and controlling all significant activities of the company.

## 14 Ultimate parent company

The immediate parent company is Southern Cross (Alexandra) Propco Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Southern Cross Healthcare Group PLC, a company registered in England, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of Southern Cross Healthcare Group PLC's consolidated financial statements can be obtained from its registered office:

Southgate House, Archer Street, Darlington, County Durham, DL3 6AH.

## **Acaena Limited**

### **15 Registered office and domicile**

The company's registered office is Southgate House, Archer Street, Darlington, County Durham, DL3 6AH and the company is registered in England and Wales.