

Stour Sudbury Limited

Directors' Report and Financial Statements for the Year Ended 31 March 2012



Stour Sudbury Limited

Company Information

DIRECTORS

P A K Jeffery
N B Schofield
P M Hill

COMPANY SECRETARY

N B Schofield

COMPANY NUMBER

04309607

REGISTERED OFFICE

Bradbury House
830 The Crescent
Colchester Business Park
Colchester
Essex
CO4 9YQ

AUDITOR

Deloitte LLP
Chartered Accountants & Statutory Auditor
Cambridge
England

Stour Sudbury Limited

Contents

	Page
Directors' Report	1 - 3
Independent Auditor's Report	4 - 5
Profit and Loss Account	6
Balance Sheet	7
Notes to the Financial Statements	8 - 12

Stour Sudbury Limited

Directors' report for the year ended 31 March 2012

The directors present their report and the financial statements for the year ended 31 March 2012

STATEMENT OF 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- 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.

PRINCIPAL ACTIVITIES

The principal activity of the company in the year under review was that of the provision of care home services, and the directors expect this to continue for the foreseeable future.

BUSINESS REVIEW

The results for the year and financial position of the company are as shown in the financial statements on pages 6 and 7.

DIRECTORS

The directors who served throughout the year were

P A K Jeffery
N B Schofield
P M Hill

Stour Sudbury Limited

Directors' report for the year ended 31 March 2012

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk. The use of financial derivatives is governed by the company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. The company does not use derivative financial instruments for speculative purposes.

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in interest rates.

Where possible, interest bearing assets and liabilities are held at fixed rates in order to ensure certainty of cash flows.

Credit risk

The company's principal financial assets are bank balances and cash, intercompany debtors and trade debtors.

The company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of allowances for doubtful debts. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company primarily relies on intercompany financing. Such financing is provided as required.

GOING CONCERN

The company is reliant on the parent company for financial support. The parent company has committed to provide such financial support to the company for the foreseeable future being a period of not less than 12 months from the signing of these accounts. Accordingly, the directors continue to adopt the going concern basis of preparation.

PROVISION 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 information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Stour Sudbury Limited

**Directors' report
for the year ended 31 March 2012**

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006

This report was approved by the board on 19 September 2012 and signed on its behalf



P M Hill
Director

Stour Sudbury Limited

Independent auditor's report to the shareholders of Stour Sudbury Limited

We have audited the financial statements of Stour Sudbury Limited for the year ended 31 March 2012 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of directors' responsibilities, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 31 March 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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.

Stour Sudbury Limited

Independent auditor's report to the shareholders of Stour Sudbury 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, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies' exemption in preparing the Directors' report



Stuart Henderson (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Chartered Accountants & Statutory Auditor

Cambridge
England

20 September 2012

Stour Sudbury Limited

Profit and Loss Account for the Year Ended 31 March 2012

	Note	2012 £	2011 £
Turnover	1	2,107,448	2,231,302
Cost of sales		(1,210,151)	(1,288,389)
Gross Profit		897,297	942,913
Administrative expenses		(761,975)	(895,310)
Other operating income		27,732	36,785
Operating Profit	2	163,054	84,388
Profit on Ordinary Activities Before Taxation		163,054	84,388
Tax on profit on ordinary activities	3	-	-
Profit For The Financial Year	8	163,054	84,388

The notes on pages 8 to 12 form part of these financial statements

Stour Sudbury Limited
Registered number: 04309607

Balance Sheet
as at 31 March 2012

	Note	£	2012 £	£	2011 £
Fixed Assets					
Tangible assets	4		324,606		321,605
Current Assets					
Debtors	5	1,246,345		1,113,974	
Cash at bank and in hand		26,047		28,372	
		<u>1,272,392</u>		<u>1,142,346</u>	
Creditors: amounts falling due within one year	6	<u>(1,048,185)</u>		<u>(1,078,192)</u>	
Net Current Assets			<u>224,207</u>		<u>64,154</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>548,813</u>		<u>385,759</u>
Capital & Reserves					
Called up share capital	7		2		2
Profit and loss account	8		548,811		385,757
Shareholders' Funds			<u>548,813</u>		<u>385,759</u>

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 September 2012



P M Hill
Director

The notes on pages 8 to 12 form part of these financial statements

Stour Sudbury Limited

Notes to the financial statements for the year ended 31 March 2012

1. ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of the financial statements

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

The financial statements have been prepared under the historical cost convention and in accordance with the special provisions applicable to companies subject to the small companies regime and the Financial Reporting Standard for Smaller Entities (effective April 2008).

1.2 Cash flow

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 1.

1.3 Turnover

Turnover represents sales and services to third party customers in the health and social care sector, stated net of any applicable value added tax. Revenue is recognised when the services are provided, with any fees invoiced in advance including within deferred income until the service is completed.

All turnover is attributable to the UK and to the Company's principal activity.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Short Term Leasehold Property	-	Over the period of the lease
Plant & Machinery	-	20% per annum

1.5 Operating leases

Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

Stour Sudbury Limited

Notes to the financial statements for the year ended 31 March 2012

1 ACCOUNTING POLICIES (continued)

1.6 Taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

1.7 Going Concern

The company is reliant on the parent company for financial support. The parent company has committed to provide such financial support to the company for the foreseeable future being a period of not less than 12 months from the signing of these accounts. Accordingly, the directors continue to adopt the going concern basis of preparation

1.8 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs

2 OPERATING PROFIT

The operating profit is stated after charging

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	27,873	24,457
Auditor's remuneration	2,000	2,000
Operating Lease	382,110	331,380

During the year, no director received any emoluments (2011 - £NIL) directly from this company

Directors' emoluments are paid by Myriad Healthcare Limited the ultimate parent company

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2012 £	2011 £
UK corporation tax charge on profit for the year	-	-

Stour Sudbury Limited

Notes to the financial statements for the year ended 31 March 2012

3 TAX ON PROFIT ON ORDINARY ACTIVITIES (continued)

Factors that may affect future tax charges

The company earns its profits primarily in the UK. Therefore the tax rate used for tax on profit on ordinary activities is the standard rate for UK corporation tax, currently 26%.

In March 2011 the UK Government announced a reduction in the standard rate of UK corporation tax to 26% effective 1 April 2011. This rate reduction was substantively enacted in March 2011.

In March 2012 the UK Government announced a reduction in the standard rate of UK corporation tax to 24% effective 1 April 2012 and to 23% effective 1 April 2013. These rate reductions became substantively enacted in March 2012 and July 2012 respectively. The UK Government also proposed to further reduce the standard rate of UK corporation tax to 22% effective 1 April 2014, but this change has not been substantively enacted.

The effect of these tax rate reductions on the deferred tax balance will be accounted for in the period in which the tax rate reductions are substantively enacted.

4 TANGIBLE FIXED ASSETS

	Short Term Leasehold Property £	Plant & Machinery £	Total £
Cost			
At 1 April 2011	307,610	143,069	450,679
Additions	-	30,874	30,874
At 31 March 2012	307,610	173,943	481,553
Depreciation			
At 1 April 2011	41,211	87,863	129,074
Charge for the year	10,656	17,217	27,873
At 31 March 2012	51,867	105,080	156,947
Net book value			
At 31 March 2012	255,743	68,863	324,606
At 31 March 2011	266,399	55,206	321,605

Stour Sudbury Limited

**Notes to the financial statements
for the year ended 31 March 2012**

5. DEBTORS

	2012 £	2011 £
Due within one year		
Trade debtors	159,229	136,241
Amounts owed by group undertakings	1,046,021	932,543
Other debtors	700	700
Prepayments and accrued income	40,395	44,490
	<u>1,246,345</u>	<u>1,113,974</u>

**6. CREDITORS:
Amounts falling due within one year**

	2012 £	2011 £
Amounts owed to group undertakings	905,360	910,131
Corporation tax	1	1
Other creditors	23,445	10,815
Accruals and deferred income	119,379	157,245
	<u>1,048,185</u>	<u>1,078,192</u>

7. CALLED UP SHARE CAPITAL

	2012 £	2011 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

8 RESERVES

	Profit and loss account £
At 1 April 2011	385,757
Profit for the year	163,054
	<u>548,811</u>
At 31 March 2012	

Stour Sudbury Limited

Notes to the financial statements for the year ended 31 March 2012

9 OPERATING LEASE COMMITMENTS

At 31 March 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Expiry date		
After more than 5 years	382,110	331,380

10. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The company's immediate parent company is Property Street Limited, by virtue of its 100% shareholding and its ultimate parent company Myriad Healthcare Limited which is registered in England and Wales

The ultimate controlling party is P A K Jeffery, a director of the company and of the ultimate parent company

The largest and smallest group of undertakings for which consolidated accounts will be drawn up is that headed by Myriad Healthcare Limited

11. CONTINGENT LIABILITIES

The company had the following contingent liabilities at 31 March 2012

Cross - guarantees to secure the bank borrowings of Myriad Healthcare Limited, which at 31 March 2012 amounted to £377m (2011 £361m)

12. RELATED PARTY TRANSACTIONS

As a wholly owned subsidiary of Myriad Healthcare Limited the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Myriad Healthcare Limited on the grounds that consolidated accounts are publicly available from Companies House