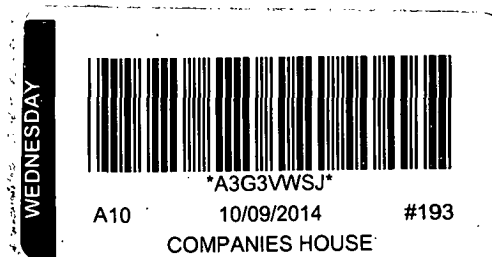


Registered number: 04309607

Stour Sudbury Limited

Directors' Report and Financial Statements for the Year Ended 31 March 2014



Stour Sudbury Limited

Company Information

DIRECTORS	P A K Jeffery N B Schofield P M Hill
COMPANY SECRETARY	N B Schofield
REGISTERED NUMBER	04309607
REGISTERED OFFICE	Bradbury House 830 The Crescent Colchester Business Park Colchester Essex CO4 9YQ
INDEPENDENT AUDITOR	Deloitte LLP Chartered Accountants & Statutory Auditor Cambridge England

Stour Sudbury Limited

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Stour Sudbury Limited

Directors' report for the year ended 31 March 2014

The directors present their report and the financial statements for the year ended 31 March 2014.

Directors' responsibilities statement

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 accounting 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

As shown in the company's profit and loss account on page 6, the company's turnover amounted to £1,865,193 (31 March 2013: £1,883,906) whilst the company generated an operating profit £1,768 (31 March 2013: £52,152) for the year ended 31 March 2014. The profit for the year after taxation, amounted to £2,006. (31 March 2013: £38,892).

As shown in the company's balance sheet on page 7, net assets amounted to £589,714 (31 March 2013: £587,708).

Directors

The directors who served throughout the year were:

P A K Jeffery
N B Schofield
P M Hill

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.

Stour Sudbury Limited

**Directors' report
for the year ended 31 March 2014**

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

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.

Auditor

The auditor, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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 and signed on its behalf.



.....
P M Hill
Director

Date: 27 August 2014

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 2014, which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 14. 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 Directors' responsibilities statement, 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 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.

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 2014 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 from preparing a strategic report or directors' report.



Stuart Henderson (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Chartered Accountants & Statutory Auditor

Cambridge
England

28 August 2014

Stour Sudbury Limited

**Profit and Loss Account
for the Year Ended 31 March 2014**

	Note	2014 £	2013 £
Turnover	1	1,865,193	1,883,906
Cost of sales		(1,173,721)	(1,168,101)
Gross Profit		691,472	715,805
Administrative expenses		(714,314)	(681,431)
Other operating income		24,610	17,778
OPERATING PROFIT	2	1,768	52,152
Interest payable and similar charges		-	(1,634)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,768	50,518
Tax on profit on ordinary activities	3	238	(11,626)
PROFIT FOR THE FINANCIAL YEAR	10	2,006	38,892

The notes on pages 7 to 12 form part of these financial statements.

Stour Sudbury Limited
Registered number: 04309607

Balance Sheet
as at 31 March 2014

	Note	£	2014 £	£	2013 £
Fixed Assets					
Tangible assets	4		363,623		387,746
Current Assets					
Stocks	5	6,332		6,345	
Debtors	6	335,144		1,251,082	
Cash at bank and in hand		17,913		34,267	
			<u>359,389</u>	<u>1,291,694</u>	
Creditors: amounts falling due within one year	7	(121,910)		(1,080,106)	
Net Current Assets			<u>237,479</u>		<u>211,588</u>
Total Assets Less Current Liabilities			<u>601,102</u>		<u>599,334</u>
Provisions for Liabilities					
Deferred tax	8		(11,388)		(11,626)
Net Assets			<u>589,714</u>		<u>587,708</u>
Capital & Reserves					
Called up share capital	9		2		2
Profit and loss account	10		589,712		587,706
Shareholders' Funds			<u>589,714</u>		<u>587,708</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 27 August 2014.



.....
P M Hill
 Director

The notes on pages 7 to 12 form part of these financial statements.

**Notes to the financial statements
for the year ended 31 March 2014**

1. ACCOUNTING POLICIES

1.1 Basis of accounting and preparation of the financial statements

The principal accounting policies are summarised below. They have 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 included within deferred income until the service is completed.

All turnover is attributable to the UK and 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:

Leasehold Property improvements	-	Over the period of the lease
Plant & Machinery	-	20% per annum
Motor vehicles	-	25% 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.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Stour Sudbury Limited

Notes to the financial statements for the year ended 31 March 2014

1. ACCOUNTING POLICIES (continued)

1.7 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.

1.8 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.

1.9 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:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	43,308	16,909
Operating Lease	358,998	425,226

During the year, no director received any emoluments (2013 - £NIL). Directors' emoluments are paid by the ultimate parent company.

Auditor's remuneration has been borne by Caring Homes Healthcare Group Limited.

**Notes to the financial statements
for the year ended 31 March 2014**

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2014 £	2013 £
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	-	-
Deferred tax		
Adjustment in respect of previous periods	-	5,436
Origination and reversal of timing differences	(238)	6,190
Total deferred tax (see note 8)	(238)	11,626
Tax on profit on ordinary activities	(238)	11,626

Factors that may affect future tax charges

The company earns profits primarily in the UK. Therefore the tax rate used for tax on ordinary profits is the standard rate for UK corporation tax, currently 23%.

The Finance Act 2013, which provides for reductions in the main rate of corporation tax from 23% to 21% effective from 1 April 2014 and to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. The effect of these tax rate reductions on deferred tax balances will be accounted for in the period in which the tax reductions are substantively enacted.

Stour Sudbury Limited

Notes to the financial statements for the year ended 31 March 2014

4. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Plant & Machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2013	319,342	200,415	41,845	561,602
Additions	7,770	11,415	-	19,185
At 31 March 2014	327,112	211,830	41,845	580,787
Depreciation				
At 1 April 2013	63,044	109,063	1,749	173,856
Charge for the year	11,177	22,107	10,024	43,308
At 31 March 2014	74,221	131,170	11,773	217,164
Net book value				
At 31 March 2014	252,891	80,660	30,072	363,623
At 31 March 2013	256,298	91,352	40,096	387,746

5. STOCKS

	2014 £	2013 £
Consumable stocks	6,332	6,345

6. DEBTORS

	2014 £	2013 £
Trade debtors	98,675	168,633
Amounts owed by group undertakings	169,090	1,069,114
Other debtors	700	700
Prepayments and accrued income	66,679	12,635
	335,144	1,251,082

Stour Sudbury Limited

**Notes to the financial statements
for the year ended 31 March 2014**

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

	2014	2013
	£	£
Amounts owed to group undertakings	108	905,360
Corporation tax	1	1
Other creditors	22,439	27,305
Accruals and deferred income	99,362	147,440
	<u>121,910</u>	<u>1,080,106</u>

8. DEFERRED TAXATION

	2014	2013
	£	£
At beginning of year	11,626	11,626
Charged/(released) during year	(238)	-
At end of year	<u>11,388</u>	<u>11,626</u>

The provision for deferred taxation is made up as follows:

	2014	2013
	£	£
Accelerated capital allowances	<u>11,388</u>	<u>11,626</u>

9. CALLED UP SHARE CAPITAL

	2014	2013
	£	£
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

10. RESERVES

	Profit and loss account £
At 1 April 2013	587,706
Profit for the year	2,006
At 31 March 2014	<u>589,712</u>

Stour Sudbury Limited

Notes to the financial statements for the year ended 31 March 2014

11. OPERATING LEASE COMMITMENTS

At 31 March 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
After more than 5 years	130,544	130,544

12. 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 MHL Holdco 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 MHL Holdco Limited.

13. CONTINGENT LIABILITIES

The company had the following contingent liabilities at 31 March 2014:

Cross - guarantees to secure the bank borrowings of MHL Holdco Limited, which at 31 March 2014 amounted to £3.5m (2013: £382m).

14. RELATED PARTY TRANSACTIONS

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