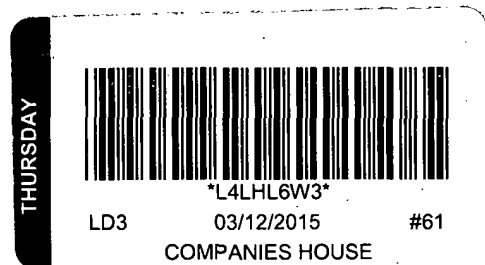


Stour Sudbury Limited

Directors' Report and Financial Statements

for the Year Ended 31 March 2015



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 City House 126-130 Hills Road Cambridge CB2 1RY
BANKERS	Lloyds Banking Group 25 Gresham Street London EC2U 7HN
SOLICITORS	Charles Russell Speechly LLP 6 St Andrew Street London EC4A 3LX

Stour Sudbury Limited

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Stour Sudbury Limited

Directors' report for the year ended 31 March 2015

The directors present their report and the financial statements for the year ended 31 March 2015.

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 activity

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.

Directors

The directors who served during the year and up to the date of this report 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.

Credit risk

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

Stour Sudbury Limited

Directors' report for the year ended 31 March 2015

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 ultimate 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.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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: 28 July 2015

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 2015, set out on pages 5 to 11. 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 Directors' 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 2015 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.

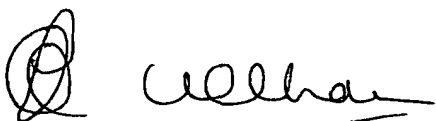
Stour Sudbury Limited

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 and to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.



Lee Welham ACA (Senior statutory auditor) (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Chartered Accountants & Statutory Auditor

City House
126-130 Hills Road
Cambridge
CB2 1RY

28 July 2015

Stour Sudbury Limited

Profit and Loss Account

	Note	2015 £	2014 £
Turnover	1	2,068,824	1,865,193
Cost of sales		(1,261,718)	(1,173,924)
Gross Profit		807,106	691,269
Administrative expenses		(675,062)	(714,111)
Other operating income		11,383	24,610
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	143,427	1,768
Tax on profit on ordinary activities	3	11,388	238
PROFIT FOR THE FINANCIAL YEAR	10	154,815	2,006

All amounts relate to continuing operations.

There were no recognised gains and losses for 2015 or 2014 other than those included in the Profit and loss account.

The notes on 7 to 11 form part of these financial statements.

Stour Sudbury Limited
Registered number: 04309607

Balance Sheet
as at 31 March 2015

	Note	£	2015 £	£	2014 £
Fixed Assets					
Tangible assets	4		344,711		363,622
Current Assets					
Stocks	5	6,643		6,332	
Debtors	6	522,923		335,144	
Cash at bank and in hand		19,023		17,913	
			<u>548,589</u>	<u>359,389</u>	
Creditors: amounts falling due within one year	7	(148,772)		(121,910)	
Net Current Assets			<u>399,817</u>		<u>237,479</u>
Total Assets Less Current Liabilities			<u>744,528</u>		<u>601,101</u>
Provisions for Liabilities					
Deferred tax	8		-		(11,388)
Net Assets			<u><u>744,528</u></u>		<u><u>589,713</u></u>
Capital & Reserves					
Called up share capital	9		2		2
Profit and loss account	10		744,526		589,711
Shareholders' Funds			<u><u>744,528</u></u>		<u><u>589,713</u></u>

The financial statements have been prepared in accordance with the provisions applicable to small companies 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 28 July 2015.



.....
P M Hill
 Director

**Notes to the financial statements
for the year ended 31 March 2015**

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, reducing balance
Motor vehicles	-	25% per annum, reducing balance

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.

**Notes to the financial statements
for the year ended 31 March 2015**

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.

Deferred tax assets and liabilities are not discounted.

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 ultimate 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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

2. PROFIT

The profit is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets:		
- owned by the company	38,693	43,308
Operating Lease	402,022	358,998

During the year, no director received any emoluments (2014 - £NIL).

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

Stour Sudbury Limited

Notes to the financial statements for the year ended 31 March 2015

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2015 £	2014 £
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	-	-
Deferred tax (see note 8)		
Origination and reversal of timing differences	(11,388)	(238)
Tax on profit on ordinary activities	<u>(11,388)</u>	<u>(238)</u>

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 21%.

The Finance Act 2013, which provided for reductions in the main rate of corporation tax from 21% to 20% effective from 1 April 2015, was substantively enacted on 2 July 2013. Deferred tax balances have been calculated at 20%, being the corporation tax rate substantively enacted at the balance sheet date.

4. TANGIBLE FIXED ASSETS

	Long Term Leasehold Property £	Plant & Machinery £	Motor vehicles £	Total £
Cost				
At 1 April 2014	327,112	211,830	41,845	580,787
Additions	2,877	16,905	-	19,782
At 31 March 2015	<u>329,989</u>	<u>228,735</u>	<u>41,845</u>	<u>600,569</u>
Depreciation				
At 1 April 2014	74,221	131,171	11,773	217,165
Charge for the year	11,662	19,513	7,518	38,693
At 31 March 2015	<u>85,883</u>	<u>150,684</u>	<u>19,291</u>	<u>255,858</u>
Net book value				
At 31 March 2015	<u>244,106</u>	<u>78,051</u>	<u>22,554</u>	<u>344,711</u>
At 31 March 2014	<u>252,891</u>	<u>80,659</u>	<u>30,072</u>	<u>363,622</u>

5. STOCKS

	2015 £	2014 £
Consumable stocks	<u>6,643</u>	<u>6,332</u>

Stour Sudbury Limited

Notes to the financial statements for the year ended 31 March 2015

6. DEBTORS

	2015 £	2014 £
Trade debtors	127,612	98,675
Amounts owed by group undertakings	352,789	169,090
Other debtors	700	700
Prepayments and accrued income	41,822	66,679
	<u>522,923</u>	<u>335,144</u>

7. CREDITORS: Amounts falling due within one year

	2015 £	2014 £
Amounts owed to group undertakings	108	108
Corporation tax	1	1
Other creditors	26,052	22,439
Accruals and deferred income	122,611	99,362
	<u>148,772</u>	<u>121,910</u>

8. DEFERRED TAXATION

	2015 £	2014 £
At beginning of year	11,388	11,626
Charged/(released) during year	(11,388)	(238)
	<u>-</u>	<u>11,388</u>

The provision for deferred taxation is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>-</u>	<u>11,388</u>

9. CALLED UP SHARE CAPITAL

	2015 £	2014 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

Stour Sudbury Limited

Notes to the financial statements for the year ended 31 March 2015

10. RESERVES

	Profit and loss account £
At 1 April 2014	589,711
Profit for the financial year	154,815
At 31 March 2015	744,526

11. OPERATING LEASE COMMITMENTS

At 31 March 2015 the company had annual commitments under non-cancellable operating leases as follows:

	2015 £	2014 £
Expiry date:		
After five years	402,022	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 2015:

Cross - guarantees to secure the bank borrowings of MHL Holdco Limited, which at 31 March 2015 amounted to £nil (2014: £3.5m).

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.