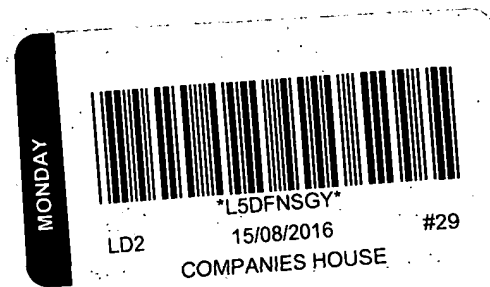


Stour Sudbury Limited

Directors' report and financial statements

For the Year Ended 31 March 2016



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
Deloitte House
Station Place
Cambridge
CB1 2FP

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

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7 - 8
Notes to the financial statements	9 - 16

Stour Sudbury Limited

Directors' report For the Year Ended 31 March 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies (note 1.2).

Stour Sudbury Limited

Directors' report

For the Year Ended 31 March 2016

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.

This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

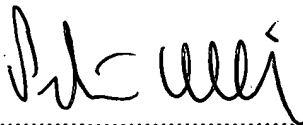
Auditor

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

Small Companies Note

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 12 July 2016 and signed on its behalf.



.....
P M Hill
Director

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 2016, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.

Matters on which we are required to report by exception

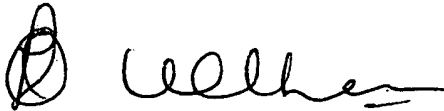
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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

Stour Sudbury Limited

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

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



Lee Welham FCA (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Chartered Accountants & Statutory Auditor

Deloitte House
Station Place
Cambridge
CB1 2FP

12 July 2016

Stour Sudbury Limited

Statement of comprehensive income For the Year Ended 31 March 2016

	Note	2016 £	2015 £
Turnover		2,460,223	2,068,824
Cost of sales		(1,402,239)	(1,261,718)
Gross profit		<u>1,057,984</u>	<u>807,106</u>
Administrative expenses		(709,295)	(675,062)
Other operating income	3	11,586	11,383
Operating profit, being profit on ordinary activities before tax	4	<u>360,275</u>	<u>143,427</u>
Tax on profit on ordinary activities	6	-	11,388
Profit for the year		<u><u>360,275</u></u>	<u><u>154,815</u></u>
 Total comprehensive income for the year		 <u><u>360,275</u></u>	 <u><u>154,815</u></u>

All amounts relate to continuing operations.

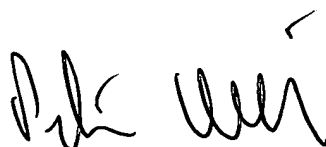
Stour Sudbury Limited
Registered number: 04309607

Statement of financial position
As at 31 March 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	7	331,387	344,711
		<u>331,387</u>	<u>344,711</u>
Current assets			
Stocks	8	6,643	6,643
Debtors: amounts falling due within one year	9	968,866	522,923
Cash at bank and in hand		13,526	19,023
		<u>989,035</u>	<u>548,589</u>
Creditors: amounts falling due within one year	10	(215,619)	(148,772)
		<u>773,416</u>	<u>399,817</u>
Net current assets			
		<u>1,104,803</u>	<u>744,528</u>
Total assets less current liabilities			
		<u>1,104,803</u>	<u>744,528</u>
Net assets			
		<u>1,104,803</u>	<u>744,528</u>
Capital and reserves			
Called up share capital	11	2	2
Profit and loss account		1,104,801	744,526
		<u>1,104,803</u>	<u>744,528</u>
Shareholders' funds			
		<u>1,104,803</u>	<u>744,528</u>

The Company's financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 July 2016.



.....
P M Hill
 Director

The notes on pages 9 to 16 form part of these financial statements.

Stour Sudbury Limited

**Statement of changes in equity
For the Year Ended 31 March 2016**

	Share capital £	Retained earnings £	Total equity £
At 1 April 2015	2	744,526	744,528
Profit for the year	-	360,275	360,275
At 31 March 2016	2	1,104,801	1,104,803

Stour Sudbury Limited

**Statement of changes in equity
For the Year Ended 31 March 2015**

	Share capital	Retained earnings	Total equity
	£	£	£
At 1 April 2014 (as stated previously and under FRS 102)	2	589,711	589,713
Profit for the year	-	154,815	154,815
At 31 March 2015	2	744,526	744,528

The notes on pages 9 to 16 form part of these financial statements.

**Notes to the financial statements
For the Year Ended 31 March 2016**

1. Accounting policies

1.1 General information and basis of accounting

Stour (Sudbury) Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on the company information page. The nature of the company's operations and its principal activities are set out in the directors' report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

There were no material adjustments in the prior year on adoption of FRS 102 in the current year (see note 15). As permitted by FRS 102, the company has chosen to change to a single statement of comprehensive income, compared to a two statement approach in the preceding year. The change in accounting policy has no significant effect on the financial statements and the statement of comprehensive income states information from the preceding year in a comparative format.

The functional currency of Stour (Sudbury) Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the company operates.

Stour (Sudbury) Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to presentation of a cash flow statement, remuneration of key management personnel, information about employee numbers and costs, and related party transactions.

1.2 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.

1.3 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. Turnover 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 to the Company's principal activity.

1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**Notes to the financial statements
For the Year Ended 31 March 2016**

1. Accounting policies (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

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

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of comprehensive income.

1.5 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

All basic financial instruments are held at fair value.

**Notes to the financial statements
For the Year Ended 31 March 2016**

1. Accounting policies (continued)

1.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.11 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. There are no judgements in applying accounting policies in these financial statements.

3. Other operating income

	2016 £	2015 £
Net rents receivable	11,586	11,383
	<u>11,586</u>	<u>11,383</u>

Stour Sudbury Limited

Notes to the financial statements For the Year Ended 31 March 2016

4. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets owned by the company	32,299	38,693

During the year, no director received any emoluments (2015 - £NIL).

5. Auditor's remuneration

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

6. Taxation

	2016 £	2015 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	(11,388)
Total deferred tax	-	(11,388)
Taxation on profit	-	(11,388)

**Notes to the financial statements
For the Year Ended 31 March 2016**

6. Taxation (continued)

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 21%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	360,275	143,427
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 21%)	72,055	30,120
Effects of:		
Capital allowances for year in excess of depreciation	2,231	-
Deferred tax not recognised	3,643	-
Adjust closing deferred tax to average rate	470	-
Group relief	(78,399)	(41,508)
Total tax credit for the year	-	(11,388)

Factors that may affect future tax charges

In recent years the UK Government has steadily reduced the rate of UK corporation tax, with the latest rates substantively enacted by the balance sheet date being 20% with effect from 1 April 2015, 19% effective from 1 April 2017 and 18% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 18%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

A reduction to the UK corporation tax rate was announced in the 2016 Budget to further reduce the tax rate to 17% (to be effective from 1 April 2020). Existing temporary differences on which deferred tax has been provided may therefore unwind in future periods subject to this reduced rate. This rate change is to be included in the Finance Bill 2016 but this has not been substantively enacted at the balance sheet date.

Stour Sudbury Limited

Notes to the financial statements For the Year Ended 31 March 2016

7. Tangible fixed assets

	Long Term Leasehold Property £	Plant & Machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2015	329,989	228,735	41,845	600,569
Additions	836	18,139	-	18,975
At 31 March 2016	330,825	246,874	41,845	619,544
Depreciation				
At 1 April 2015	85,883	150,684	19,291	255,858
Charge owned for the period	7,422	19,238	5,639	32,299
At 31 March 2016	93,305	169,922	24,930	288,157
Net book value				
At 31 March 2016	237,520	76,952	16,915	331,387
At 31 March 2015	244,107	78,050	22,554	344,711

8. Stocks

	2016 £	2015 £
Finished goods	6,643	6,643
	6,643	6,643

9. Debtors

	2016 £	2015 £
Trade debtors	64,323	127,612
Amounts owed by group undertakings	860,639	352,789
Other debtors	-	702
Prepayments and accrued income	43,904	41,820
	968,866	522,923

Stour Sudbury Limited

Notes to the financial statements For the Year Ended 31 March 2016

9. Debtors (continued)

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Amounts owed to group undertakings	108	108
Corporation tax	1	1
Other creditors	40,355	26,052
Accruals and deferred income	175,155	122,611
	<u>215,619</u>	<u>148,772</u>

11. Share capital and reserves

	2016 £	2015 £
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

The Company's other reserve comprises:

The Profit and loss reserve represents cumulative profits or losses (net of dividends and other adjustments).

12. Commitments under operating leases

At 31 March 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	428,746	428,746
Later than 1 year and not later than 5 years	1,714,983	1,714,983
Later than 5 years	6,859,933	7,288,679
Total	<u>9,003,662</u>	<u>9,432,408</u>

13. Related party transactions

As a wholly owned subsidiary of Myriad Healthcare Holdings Limited, the company is exempt from the requirements to disclose transactions with other members of the Group on the grounds that consolidated accounts are publicly available from Companies House.

Stour Sudbury Limited

Notes to the financial statements For the Year Ended 31 March 2016

14. 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 Holdings 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 Holdings Limited.

15. First time adoption of FRS 102

This is the first year that the company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 March 2015 and the date of transition to FRS 102 was therefore 1 April 2014. As a consequence of adopting FRS 102 there were no material adjustments to comply with the standard.