

Registered number: 04309607

Stour Sudbury Limited

Directors' report and financial statements

For the Year Ended 31 March 2017



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 Statutory Auditor 1 Station Square Cambridge CB1 2GA
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 2017

The directors present their report and the financial statements for the year ended 31 March 2017.

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 judgements 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

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 (continued)
For the Year Ended 31 March 2017**

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 the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the 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 27 July 2017 and signed on its behalf.



P A K Jeffery
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 2017, set out on pages 5 to 14, which comprise the primary statements such as 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 Generally Accepted Accounting Practice applicable to Smaller Entities, including FRS 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 2017 and of its profit or loss 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, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Stour Sudbury Limited

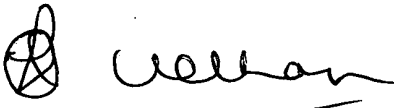
Independent auditor's report to the shareholders of Stour Sudbury Limited (continued)

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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 are 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 and take advantage of the small companies' exemption from the requirement to prepare a Strategic report.



Lee Welham FCA (Senior statutory auditor)

for and on behalf of
Deloitte LLP

Statutory Auditor

1 Station Square
Cambridge
CB1 2GA

27 July 2017

Stour Sudbury Limited

**Statement of comprehensive income
For the Year Ended 31 March 2017**

	Note	2017 £	2016 £
Turnover		2,722,265	2,460,223
Cost of sales		(1,666,238)	(1,402,239)
Gross profit		<u>1,056,027</u>	<u>1,057,984</u>
Administrative expenses		(704,870)	(709,295)
Other operating income	3	6,079	11,586
Operating profit, being profit before taxation	4	<u>357,236</u>	<u>360,275</u>
Tax on profit	6	-	-
Profit for the year		<u>357,236</u>	<u>360,275</u>
Other comprehensive income for the year			
Total comprehensive income for the year		<u>357,236</u>	<u>360,275</u>

Stour Sudbury Limited
Registered number: 04309607

Statement of financial position
As at 31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	7	344,147	331,387
		<u>344,147</u>	<u>331,387</u>
Current assets			
Stocks	8	7,642	6,643
Debtors: amounts falling due within one year	9	1,300,031	968,866
Cash at bank and in hand	10	8,652	13,526
		<u>1,316,325</u>	<u>989,035</u>
Creditors: amounts falling due within one year	11	(198,433)	(215,619)
Net current assets		<u>1,117,892</u>	<u>773,416</u>
Total assets less current liabilities		<u>1,462,039</u>	<u>1,104,803</u>
Net assets		<u><u>1,462,039</u></u>	<u><u>1,104,803</u></u>
Capital and reserves			
Called up share capital	12	2	2
Profit and loss account		1,462,037	1,104,801
Shareholders' funds		<u><u>1,462,039</u></u>	<u><u>1,104,803</u></u>

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

The financial statements have been prepared in accordance with the provisions of section 1A of FRS 102.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 July 2017.



P A K Jeffery
 Director

Stour Sudbury Limited

**Statement of changes in equity
For the Year Ended 31 March 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2015	2	744,526	744,528
Profit for the year	-	360,275	360,275
At 1 April 2016	2	1,104,801	1,104,803
Profit for the year	-	357,236	357,236
At 31 March 2017	2	1,462,037	1,462,039

Stour Sudbury Limited

Notes to the financial statements For the Year Ended 31 March 2017

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.

There are no employees employed by the company.

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.

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 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.

Stour Sudbury Limited

Notes to the financial statements For the Year Ended 31 March 2017

1. Accounting policies (continued)

1.4 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as per the table below.

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 in the Statement of comprehensive income.

1.5 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.

1.6 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.

1.7 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.

1.8 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 debtors and creditors, 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.

1.9 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.

Stour Sudbury Limited

Notes to the financial statements For the Year Ended 31 March 2017

1. Accounting policies (continued)

1.10 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 April 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

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

	2017 £	2016 £
Net rents receivable	6,079	11,586
	<u>6,079</u>	<u>11,586</u>

4. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets owned by the company	37,031	32,299
Other operating lease rentals	430,589	416,261
	<u>467,620</u>	<u>448,560</u>

5. Auditor's remuneration

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 2017

6. Taxation

	2017 £	2016 £
Total current tax	-	-

Factors affecting tax credit for the year

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit on ordinary activities before tax	357,236	360,275
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	71,447	72,055
Effects of:		
Capital allowances for year in excess of depreciation	3,438	2,231
Deferred tax not recognised	3,494	3,643
Adjust closing deferred tax to average rate	899	470
Group relief	(79,278)	(78,399)
Total tax charge for the year	-	-

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 19% effective from 1 April 2017 and 17% effective from 1 April 2020. The closing deferred tax assets and liabilities have been calculated at 17%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

Stour Sudbury Limited

**Notes to the financial statements
For the Year Ended 31 March 2017**

7. Tangible fixed assets

	Long Term Leasehold Property £	Plant & Machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 April 2016	330,825	246,874	41,845	619,544
Additions	-	49,789	-	49,789
At 31 March 2017	330,825	296,663	41,845	669,333
Depreciation				
At 1 April 2016	93,305	169,922	24,929	288,156
Charge for the period on owned assets	12,062	20,740	4,229	37,031
At 31 March 2017	105,367	190,662	29,158	325,187
Net book value				
At 31 March 2017	225,458	106,001	12,687	344,146
At 31 March 2016	237,520	76,952	16,916	331,388

8. Stocks

	2017 £	2016 £
Consumable stock	7,642	6,643
	7,642	6,643

9. Debtors

	2017 £	2016 £
Trade debtors	131,753	64,323
Amounts owed by group undertakings	1,132,174	860,636
Prepayments and accrued income	36,104	43,904
	1,300,031	968,863

Stour Sudbury Limited

**Notes to the financial statements
For the Year Ended 31 March 2017**

10. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	8,652	13,526
	<u>8,652</u>	<u>13,526</u>

11. Creditors: Amounts falling due within one year

	2017 £	2016 £
Amounts owed to group undertakings	108	108
Corporation tax	1	1
Other creditors	38,805	40,354
Accruals and deferred income	159,519	175,155
	<u>198,433</u>	<u>215,618</u>

12. Share capital and reserves

	2017 £	2016 £
Shares classified as equity		
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).

13. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Within 1 year	428,746	428,746
Between 1 year and 5 years	1,714,983	1,714,983
After 5 years	6,431,187	6,859,933
Total	<u>8,574,916</u>	<u>9,003,662</u>

Stour Sudbury Limited

Notes to the financial statements For the Year Ended 31 March 2017

14. 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.

15. 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. The registered address of Myriad Healthcare Holdings Limited is 830 The Crescent, Colchester Business Park, Colchester, Essex, CO4 9YQ.