

Salus Healthcare Limited

Annual report and financial statements

Registered number 08415321

31 March 2017



Contents

Directors and advisors	1
Strategic report	2
Directors' report	3
Statement of directors' responsibilities in respect of the annual report and the financial statements	4
Independent auditor's report to the members of Salus Healthcare Limited	5
Profit and loss account and other comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

Directors and advisors

Directors	J M Benson S P Kennedy J Makin
Secretary	J Makin
Registered Office	Sherwood House Cartwright Way Forest Way Business Park Bardon Hill Coalville Leicestershire LE67 1UB
Registered number	08415321
Auditor	KPMG LLP St Nicholas House Park Row Nottingham NG1 6FQ
Solicitors	Pinsent Masons LLP 1 Park Row Leeds LS1 5AB

Strategic report

On 8 December 2014, Aceso Healthcare Limited, acquired the entire issued share capital of Salus Healthcare Limited, the parent company of Nottingham Rehab Limited, which trades as "NRS Healthcare", a leading provider of healthcare services and products.

This report is based on the performance of the trading subsidiary of the Company, being Nottingham Rehab Limited;

The directors are satisfied with the results for the period. Sales revenues amounted to £160,762,000 (2016: £139,313,000), an increase of 15.3% against the prior year. Operating profit before exceptional items, actuarial gains and goodwill amortisation amounted to £6,213,000 (2016: £5,118,000), an increase of 21.4% against the prior period reflecting the impact of the contracts successfully retendered during the period along with the full year impact of the Kent ICES and Brighton & Hove ICES contracts. The profit on ordinary activities before taxation for the period amounted to £5,170,000 (2016: £3,587,000).

No interim dividend was paid during the period (2016: £nil). The directors do not recommend the payment of a final dividend in respect of the current period (2016 £nil).

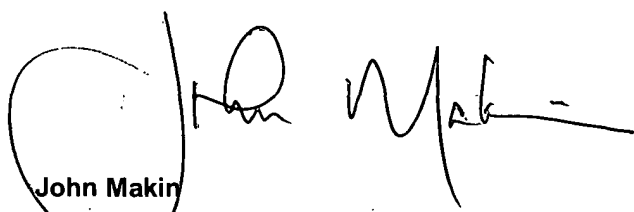
The financial performance in the current period reflects the continued success for the group in a growing and developing market. During the period, the Company successfully re-tendered for the Berkshire ICES contract and successfully tendered for the Vale of York Wheelchair service. It also expanded the scope of service to include telecare provision in the Lincolnshire and Powys contracts, and Clinical service provision in Buckinghamshire. Subsequent to the year end, the Company has successfully tendered for the Blackburn with Darwen ICES contract and successfully re-tendered for the Northern Ireland Wheelchair service.

The Product division of the company continued to perform strongly with revenues again increasing against the prior period. This represents a record performance and growth is anticipated to continue in future periods.

The market for the provision of outsourced healthcare contracts continues to grow and there remains a strong pipeline of new opportunities to provide ICES, Wheelchair and Clinical services. As a market leader within the industry, the directors believe that there is significant scope to develop and grow the business in future periods.

Within the ICES contracts, on-time collections and deliveries, being the key performance indicators that management consider to be important, were 97% (2016: 98%), demonstrating a continued commitment to quality. Maintaining these service levels will be imperative for the continued growth and development of the business.

By order of the board


John Makin
Director

28 July 2017

Directors' report

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

Principal activity

The principal activity of the company is the provision of a holding company.

Results and dividends

The result for the year is shown in the attached profit and loss account. The directors do not recommend the payment of a dividend (2016: £nil).

Directors

The directors who held office during the period were as follows:

J M Benson
S P Kennedy
J Makin

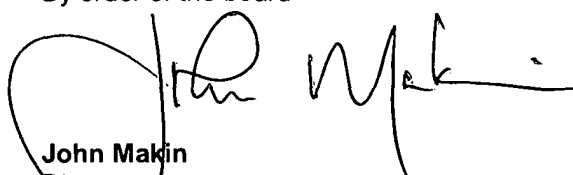
Disclosure of Information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board


John Makin
Director

Sherwood House
Cartwright Way
Forest Business House
Bardon Hill
Coalville
Leicestershire
LE67 1UB

28 July 2017

Statement of directors' responsibilities in respect of the annual report and the financial statements

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALUS HEALTHCARE LIMITED

We have audited the financial statements of Salus Healthcare Limited for the year ended 31 March 2017 set out on pages 7 to 16. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), 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 set out on page 4, 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

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

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 loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SALUS HEALTHCARE 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.



Anthony Hambleton (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

31 July 2017

Profit and loss account and other comprehensive income

For the year ended 31 March 2017

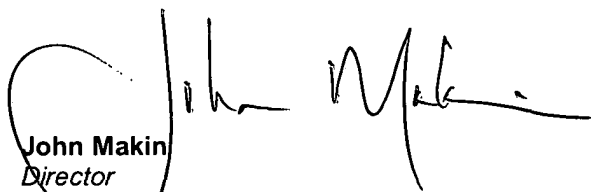
		Year ended 31 March 2017 £'000	Year ended 31 March 2016 £'000
	Note		
Interest payable and similar charges	5	(21)	(22)
Loss before taxation		(21)	(22)
Tax on loss	6	-	-
Loss for the financial period		(21)	(22)

During the year there were no gains or losses other than those recorded in the profit and loss account.

Balance sheet
as at 31 March 2017

	Note	31 March 2017 £'000	31 March 2016 £'000
Fixed assets			
Investments	7	21,404	21,404
		<u>21,404</u>	<u>21,404</u>
Current assets			
Debtors	8	21	42
		<u>21</u>	<u>42</u>
Creditors: amounts falling due within one year	9	(6,573)	(6,573)
Net current liabilities		<u>(6,552)</u>	<u>(6,531)</u>
Total assets less current liabilities		<u>14,852</u>	<u>14,873</u>
Net assets		<u>14,852</u>	<u>14,873</u>
Capital and reserves			
Called up share capital	10	19,630	19,630
Share premium	10	517	517
Profit and loss account		<u>(5,295)</u>	<u>(5,274)</u>
Shareholders' funds		<u>14,852</u>	<u>14,873</u>

The financial statements were approved by the board of directors on 28 July 2017 and were signed on its behalf by:


John Makin
Director

Company registered number: 08415321

Statement of changes in equity
as at 31 March 2017

	Called up share capital £'000	Called up share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 April 2015	19,630	517	(5,252)	14,895
Total comprehensive income for the period				
Loss for the period	-	-	(22)	(22)
Balance at 31 March 2016	19,630	517	(5,274)	14,873
As 1 April 2016	19,630	517	(5,271)	14,873
Total comprehensive income for the period				
Loss for the period	-	-	(21)	(21)
Balance at 31 March 2017	19,630	517	(5,295)	14,852

Notes to the financial statements *(continued)*

1 Accounting policies

Salus Healthcare Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company's ultimate parent undertaking, Aceso Healthcare Group Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Aceso Healthcare Group Holdings Limited are available to the public and may be obtained from Sherwood House, Cartwrights Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UB. In these financial statements, the company is considered to be a qualifying entity (for the purpose of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Aceso Healthcare Group Holdings Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 12.

1.1 Going concern

The financial statements have been prepared on a going concern basis which the directors believe to be appropriate for the following reasons. The company is dependant for its working capital on funds provided to it by the company's parent Aceso Healthcare Group Holdings Limited, and the financing facilities that it has in place. Aceso Healthcare Group Holdings Limited has indicated that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds that are needed by the company. The directors consider that this should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Based on this undertaking the directors believe that it remains appropriate to prepare financial statements on a going concern basis.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.2 Classification of financial instruments issued by the group

In accordance with FRS 102.22, financial instruments issued by the group are treated as equity only to the extent that they meet the following two conditions:

- (a) They include no contractual obligations upon the group to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the group; and
- (b) Where the instrument will or may only be settled in the entity's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the entity's own equity instruments or is a derivative that will be settled by the entity exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the entity's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.3 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.4 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior period are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.6 Expenses

Interest payable

Interest payable and similar charges include interest payable and unwinding of the discount on provisions.

Interest payable is recognised in profit or loss as if accrued, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payment is established.

Notes to the financial statements *(continued)*

1 Accounting policies *(continued)*

1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

2 Expenses and auditor's remuneration

Auditor's remuneration:

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is disclosed in the consolidated financial statements of the Company's parent, Aceso Healthcare Group Holdings Limited, which can be obtained from the address given in note 1.

3 Staff numbers and costs

The Company had no employees in the year or in the preceding year and therefore did not incur any remuneration expense.

4 Directors' remuneration

The directors received no emoluments for their services to the company during the year or in the preceding year. This is on the basis that the Directors' emoluments have been borne by the shareholders of the company, the services provided by the Directors to the Company are insignificant and an amount in respect of those services cannot reasonably be attributed.

Notes to the financial statements *(continued)*

5 Interest payable and similar charges

	2017 £'000	2016 £'000
Other interest payable and similar charges	21	22
Total interest payable and similar charges	21	22

6 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2017 £'000	2016 £'000
<i>Current tax</i>		
Current tax on income for the period	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax on loss	-	-

The tax assessed for the period is higher (2016: higher) than the standard rate of corporation tax in the UK 20% (2016: 20.24%). The differences are explained below:

	2017 £'000	2016 £'000
Loss excluding taxation	(21)	(22)
Tax using the UK corporation tax rate of 20% (2016: 20%).	(4)	(5)
Effects of:		
Group relief surrendered	4	5
Total tax expense included in profit or loss	-	-

From 1 April 2015, the main rate of corporation tax was reduced to 20%. Further reductions to 19% (effective 1 April 2017) and to 17% (effective 1 April 2020) were substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly.

Notes to the financial statements *(continued)*

7 Fixed asset investments

	Fixed assets investments £'000
Cost and net book value	
At 31 March 2016 and at 31 March 2017	21,404

The Company has the following investments in subsidiaries:

	Registered office	Class of shares held	Ownership %
Nottingham Rehab Limited	Sherwood House, Cartwrights Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UB	Ordinary	100%
NRS Mobility Care Limited (*)	Sherwood House, Cartwrights Way, Forest Business Park, Bardon Hill, Coalville, Leicestershire LE67 1UB	Ordinary	100%

* held indirectly

8 Debtors

	2017 £'000	2016 £'000
Prepayments	21	42
Due with one year	21	42
Due after one year	-	-
	21	42

9 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Amounts owed to group undertakings	6,573	6,573

Notes to the financial statements *(continued)*

10 Called up share capital

	2017 £	2016 £
Authorised, issued, called up and fully paid		
1,962,991,338 ordinary shares of £0.01 each	19,629,913	19,629,913

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

Share Premium

The balance classified as share premium relates to the aggregate net proceeds less nominal value of shares on issue of the Company's equity share capital.

11 Related parties

As the Company was a wholly owned subsidiary of Aceso Healthcare Group Holdings Limited at 31 March 2017, the Company has taken advantage of the exemption contained in FRS102.33.1A and has therefore not disclosed transactions or balances with wholly owned entities which form part of the Group headed by Aceso Healthcare Group Holdings Limited.

12 Accounting estimates and judgements

The preparation of financial information sometimes requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Where such judgements, estimates or assumptions are required, these are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

For the purposes of preparing the Company's annual report and audited financial statements, there are currently no specific estimates, judgements or assumptions required to be made by the directors. Any estimates required in the future will be reviewed on an ongoing basis.

13 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Aceso Healthcare Limited. The ultimate controlling party is Aceso Healthcare Group Holdings Limited.

The largest and smallest group in which the results of the Company are consolidated is that headed by Aceso Healthcare Group Holdings Limited. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available to the public and may be obtained from Aceso Healthcare Group Holdings Limited, Sherwood House, Cartwright Way, Forest Business Park, Bardonia Hill, Coalville, Leicestershire LE67 1UB.