

Registration number: 10805429

SUNSHINE CARE MIDCO LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 6 JUNE 2017 TO 31 DECEMBER 2017

Hazlewoods LLP
Windsor House
Bayshill Road
Cheltenham
GL50 3AT

SUNSHINE CARE MIDCO LIMITED

CONTENTS

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 15

SUNSHINE CARE MIDCO LIMITED

COMPANY INFORMATION

Directors S J C Gray
 F D Porter

Company secretary A H S Cowie

Registered office Number Three
 Siskin Drive
 Middlemarch Business Park
 Coventry
 CV3 4FJ

Auditors Hazlewoods LLP
 Windsor House
 Bayshill Road
 Cheltenham
 GL50 3AT

SUNSHINE CARE MIDCO LIMITED

STRATEGIC REPORT FOR THE PERIOD FROM 6 JUNE 2017 TO 31 DECEMBER 2017

The directors present their strategic report for the period from 6 June 2017 to 31 December 2017.

Principal activity

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

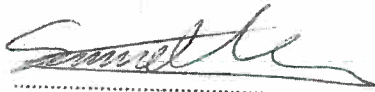
Fair review of the business

The results for the period which are set out in the profit and loss account show a loss before tax of £233,302. At 31 December 2017 the company had net assets of £10,486,587. The directors consider the performance for the period and the financial position at the period end to be satisfactory.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to ongoing compliance with current and future legislation affecting the sector.

Approved by the Board on 12/9/18 and signed on its behalf by:



S J C Gray
Director

SUNSHINE CARE MIDCO LIMITED

DIRECTORS' REPORT FOR THE PERIOD FROM 6 JUNE 2017 TO 31 DECEMBER 2017

The directors present their report and the financial statements for the period from 6 June 2017 to 31 December 2017.

Incorporation

The company was incorporated on 6 June 2017.

Directors of the company

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

S J C Gray (appointed 6 June 2017)

F D Porter (appointed 6 June 2017)

Financial instruments

Objectives and policies

The board constantly monitors the company's trading results and revise projections as appropriate to ensure that the company can meet its future obligations as they fall due.

Price risk, credit risk, liquidity risk and cash flow risk

The company is exposed to the usual credit and cash flow risks associated with selling on credit and manages this through credit control procedures. The company's bank loans and loan stock are subject to price and liquidity risk as disclosed in note 7 to the financial statements.

In accordance with the Financial Reporting Council's 'Going Concern and Liquidity Risk: Guidance for Directors of UK Companies 2009', the directors of all companies are now required to provide disclosures regarding the adoption of the going concern basis of accounting.

The company has sufficient resources available and the directors have prepared forecasts for the next 12 months that indicate that this will continue to be the case and that these cash flows will be sufficient for the company to meet its financing commitments as they fall due. The directors therefore have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and have continued to adopt the going concern basis in preparing the financial statements.

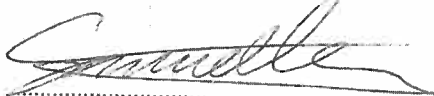
Disclosure of information to the auditors

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

Hazlewoods LLP were appointed as auditors to the company during the period and have expressed their willingness to continue in office.

Approved by the Board on 12/9/18 and signed on its behalf by:



S J C Gray
Director

SUNSHINE CARE MIDCO LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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 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.

SUNSHINE CARE MIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNSHINE CARE MIDCO LIMITED

Opinion

We have audited the financial statements of Sunshine Care Midco Limited (the 'company') for the period from 6 June 2017 to 31 December 2017, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the period 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

SUNSHINE CARE MIDCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SUNSHINE CARE MIDCO LIMITED

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 Strategic Report and 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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.



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Martin Howard (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House
Bayshill Road
Cheltenham
GL50 3AT

Date: 13 Sep 2018

SUNSHINE CARE MIDCO LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 6 JUNE 2017 TO 31 DECEMBER 2017

		6 June 2017 to 31 December 2017 £
Turnover		-
Operating profit/(loss)		-
Interest payable and similar charges	3	(233,302)
Loss before tax		(233,302)
Loss for the financial period		(233,302)

The above results were derived from continuing operations.

The company has no other comprehensive income for the period.

SUNSHINE CARE MIDCO LIMITED

(REGISTRATION NUMBER: 10805429)
BALANCE SHEET AS AT 31 DECEMBER 2017

		31 December 2017 £
Fixed assets	Note	
Investments	4	<u>10,719,889</u>
Current assets		
Debtors	5	6,780,111
Cash at bank and in hand		<u>1,500,000</u>
		8,280,111
Creditors: Amounts falling due within one year	6	<u>(1,500,000)</u>
Net current assets		6,780,111
Total assets less current liabilities		17,500,000
Creditors: Amounts falling due after more than one year	6	<u>(7,013,413)</u>
Net assets		<u>10,486,587</u>
Capital and reserves		
Called up share capital	8	10,719,889
Profit and loss account		<u>(233,302)</u>
Total equity		<u>10,486,587</u>

Approved and authorised by the Board on 12/9/18 and signed on its behalf by:



S J C Gray
Director

The notes on pages 10 to 15 form an integral part of these financial statements.

SUNSHINE CARE MIDCO LIMITED

**STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD FROM 6 JUNE 2017 TO 31
DECEMBER 2017**

	Share capital	Profit and loss
	£	account
		£
Loss for the period	-	(233,302)
New share capital subscribed	10,719,889	-
At 31 December 2017	<u>10,719,889</u>	<u>(233,302)</u>

The notes on pages 10 to 15 form an integral part of these financial statements.

SUNSHINE CARE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 6 JUNE 2017 TO 31 DECEMBER 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Number Three
Siskin Drive
Middlemarch Business Park
Coventry
CV3 4FJ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Name of parent of group

These financial statements are consolidated in the financial statements of Sunshine Care Topco Limited.

The financial statements of Sunshine Care Topco Limited may be obtained from Companies House.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Judgements and estimation uncertainty

These financial statements do not contain any significant judgements or estimation uncertainty.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

SUNSHINE CARE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 6 JUNE 2017 TO 31 DECEMBER 2017

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Financial instruments

Classification

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Recognition and measurement

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

SUNSHINE CARE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 6 JUNE 2017 TO 31 DECEMBER 2017

Financial instruments (continued)

Impairment

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

A non financial asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3 Interest payable and similar expenses

	2017
	£
Interest expense on other finance liabilities	<u>233,302</u>

SUNSHINE CARE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 6 JUNE 2017 TO 31 DECEMBER 2017

4 Investments in subsidiaries, joint ventures and associates

	2017
	£
Investments in subsidiaries	<u>10,719,889</u>
Subsidiaries	
	£
Cost and carrying amount	
Additions and at 31 December 2017	<u>10,719,889</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2017
Subsidiary undertakings			
Sunshine Care Bidco Limited	England and Wales	Ordinary	100%
Swanton Care & Community Limited	England and Wales	Ordinary	100%
Swanton Care & Community (Andrew Frederick Care Homes) Limited	England and Wales	Ordinary	100%
Swanton Care & Community (Maesteilo Care Homes) Limited	England and Wales	Ordinary	100%
Swanton Care & Community (Southfield House Care Services) Limited	England and Wales	Ordinary	100%
Swanton Care & Community (Glenpath Holdings) Limited	England and Wales	Ordinary	100%
Swanton Care & Community (Autism North) Limited	England and Wales	Ordinary	100%
Ford Place Limited	England and Wales	Ordinary	100%
Andrew Frederick Care Limited	England and Wales	Ordinary	100%
Ty-Teilo Limited	England and Wales	Ordinary	100%
Cwm Teilo Limited	England and Wales	Ordinary	100%

The principal activity of Sunshine Care Bidco Limited is intermediate holding company

The principal activity of Swanton Care & Community Limited is ownership and management of residential care and nursing home and care services for people with complex needs

The principal activity of Swanton Care & Community (Andrew Frederick Care Homes) Limited is ownership and management of residential care and nursing home and care services for people with complex needs

The principal activity of Swanton Care & Community (Maesteilo Care Homes) Limited is ownership and management of residential care and nursing home and care services for people with complex needs

The principal activity of Swanton Care & Community (Southfield House Care Services) Limited is ownership and management of residential care and nursing home and care services for people with complex needs

The principal activity of Swanton Care & Community (Glenpath Holdings) Limited is property company

SUNSHINE CARE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 6 JUNE 2017 TO 31 DECEMBER 2017

The principal activity of Swanton Care & Community (Autism North) Limited is ownership and management of residential care and nursing home and care services for people with complex needs

The principal activity of Ford Place Limited is dormant company

The principal activity of Andrew Frederick Care Limited is dormant company

The principal activity of Ty-Teilo Limited is dormant company

The principal activity of Cwm Teilo Limited is dormant company

5 Debtors

	31 December 2017 £
Amounts owed by group undertakings	<u>6,780,111</u>

6 Creditors

	Note	31 December 2017 £
Due within one year		
Amounts due to group undertakings		<u>1,500,000</u>
Due after one year		
Loans and borrowings	7	<u>7,013,413</u>

7 Loans and borrowings

	2017 £
Non-current loans and borrowings	
Other borrowings	<u>7,013,413</u>

The other borrowings include loan notes of £6,780,111 and accrued interest on the loan notes of £233,302. Interest is levied at 8% and the loan notes are repayable in full in 2025.

SUNSHINE CARE MIDCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 6 JUNE 2017 TO 31 DECEMBER 2017

8 Share capital

Allotted, called up and fully paid shares

	31 December 2017	
	No.	£
Ordinary shares of £1 each	10,719,889	10,719,889

New shares allotted

During the period 1 ordinary share having an aggregate nominal value of £1 were allotted for an aggregate consideration of £1. This share was allotted on incorporation.

During the period 10,719,888 ordinary shares having an aggregate nominal value of £10,719,888 were allotted for an aggregate consideration of £10,719,888. These shares were allotted on 17 July 2017.

9 Related party transactions

During the year £233,302 of loan note interest was accrued at a rate of 8.0% per annum on the loan notes of £6,780,111 owed to the companies ultimate controlling party, Apposite Healthcare II GP LLP.

10 Parent and ultimate parent undertaking

The ultimate parent undertaking is Sunshine Care Topco Limited, incorporated in England and Wales.