

REGISTERED NUMBER 04534652 (England and Wales)

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012
FOR
ONE STEP (SUPPORT) LIMITED**

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FOR THE YEAR ENDED 30 SEPTEMBER 2012**

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ONE STEP (SUPPORT) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2012

DIRECTORS

H Sheikh
F Sheikh
M G Hill

REGISTERED OFFICE

Metropolitan House
5th Floor
3 Darkes Lane
Potters Bar
Hertfordshire
EN6 1AG

REGISTERED NUMBER

04534652 (England and Wales)

AUDITORS

Grant Thornton UK LLP
202 Silbury Boulevard
Central Milton Keynes
MK9 1LW

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

The directors present their report with the financial statements of the company for the year ended 30 September 2012

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of residential care services

REVIEW OF BUSINESS

The income statement on page 5 sets out the results for the year

Future prospects

The directors are satisfied with the results for the year and the future prospects of the company

Key performance indicators

Client occupation levels and associated income streams are the key monitor of performance and these have been maintained during the year

Principal risks and uncertainties

The company's performance and its reputation is underpinned by the quality of its services. To this end, the company invests significantly in its quality management processes. There are also a number of financial risks and uncertainties which could impact the company's performance and these are set out in note 16

Disabled persons

It is the company's policy to ensure that disabled persons are treated fairly and consistently in terms of recruitment, training, career development and promotion and that their employment opportunities should be based on a realistic assessment of their aptitudes and abilities. Wherever possible, the company will continue the employment of persons who become disabled during the course of their employment with the company through retraining, acquisition of special aids and equipment or the provision of suitable alternative employment

Employee information programme

The directors recognise the benefits which arise from keeping employees informed of the company's progress and plans and through their participation in the company's performance. The company is, therefore, committed to providing its employees with information on a regular basis, to consulting with them on a regular basis so that their views may be taken into account when taking decisions which may affect their interests and to encouraging their participation in schemes through which they will benefit from the company's progress and profitability

Payment to creditors policy

The company agrees payment terms and conditions with its suppliers according to local laws and generally accepted trading practices within its business and geographical region. It is the company's normal practice to pay suppliers in accordance with these terms provided that the suppliers meet their obligations

The company's trade creditors' ledger is managed by fellow group company, Caretech Community Services Limited and, therefore, creditor days disclosure for the year is not meaningful and has not been provided

Charitable and political donations

No charitable or political donations were made during the year (2011 £Nil)

DIVIDENDS

During the year the company did not pay a dividend (2011 £Nil)

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2011 to the date of this report

H Sheikh

F Sheikh

M G Hill

G Lapham - resigned 30 November 2012

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards as adopted by the European Union. 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD



M G Hill - Director

Date 30 January 2013

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ONE STEP (SUPPORT) LIMITED

We have audited the financial statements of One Step (Support) Limited for the year ended 30 September 2012 on pages five to twenty three. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 30 September 2012 and of its loss for the year then ended,
- have been properly prepared in accordance with IFRSs as adopted by the European Union, 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 Report of the Directors 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
- we have not received all the information and explanations we require for our audit.

Grant Thornton UK LLP

Jeremy Read (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
202 Silbury Boulevard
Central Milton Keynes
MK9 1LW

Date *30 January 2013*

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	Notes	30 9 12 £'000	30 9 11 £'000
CONTINUING OPERATIONS			
Revenue		2,863	3,530
Cost of sales		<u>(1,786)</u>	<u>(2,075)</u>
GROSS PROFIT		1,077	1,455
Administrative expenses		<u>(1,463)</u>	<u>(1,663)</u>
OPERATING LOSS		<u>(386)</u>	<u>(208)</u>
LOSS BEFORE INCOME TAX	3	<u>(386)</u>	<u>(208)</u>
Income tax	4	<u>-</u>	<u>-</u>
LOSS FOR THE YEAR		<u><u>(386)</u></u>	<u><u>(208)</u></u>

The notes form part of these financial statements

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	30 9 12 £'000	30 9 11 £'000
LOSS FOR THE YEAR	(386)	(208)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>(386)</u>	<u>(208)</u>

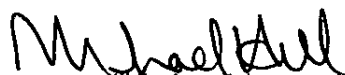
The notes form part of these financial statements

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

STATEMENT OF FINANCIAL POSITION
30 SEPTEMBER 2012

	Notes	30 9 12 £'000	30 9 11 £'000
ASSETS			
NON-CURRENT ASSETS			
Goodwill	6	1,094	1,094
Property, plant and equipment	7	308	375
		<u>1,402</u>	<u>1,469</u>
CURRENT ASSETS			
Trade and other receivables	8	1,195	1,396
Cash and cash equivalents	9	295	634
		<u>1,490</u>	<u>2,030</u>
TOTAL ASSETS		<u><u>2,892</u></u>	<u><u>3,499</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	10	-	-
Retained earnings	11	2,049	2,435
TOTAL EQUITY		<u>2,049</u>	<u>2,435</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	12	524	674
Tax payable		319	390
		<u>843</u>	<u>1,064</u>
TOTAL LIABILITIES		<u>843</u>	<u>1,064</u>
TOTAL EQUITY AND LIABILITIES		<u><u>2,892</u></u>	<u><u>3,499</u></u>

The financial statements were approved by the Board of Directors on 30 January 2013 and were signed on its behalf by



M G Hill - Director

The notes form part of these financial statements

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

	Profit and loss account £'000	Total equity £'000
Balance at 1 October 2010	2,643	2,643
Changes in equity		
Total comprehensive income	(208)	(208)
Balance at 30 September 2011	<u>2,435</u>	<u>2,435</u>
Changes in equity		
Total comprehensive income	(386)	(386)
Balance at 30 September 2012	<u><u>2,049</u></u>	<u><u>2,049</u></u>

The notes form part of these financial statements

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

		30 9 12 £'000	30 9 11 £'000
Cash flows from operating activities			
Cash generated from operations	1	(252)	333
Tax paid		(71)	-
Tax refund		-	21
Net cash from operating activities		<u>(323)</u>	<u>354</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(16)</u>	<u>(23)</u>
Net cash from investing activities		<u>(16)</u>	<u>(23)</u>
(Decrease)/increase in cash and cash equivalents		<u>(339)</u>	<u>331</u>
Cash and cash equivalents at beginning of year	2	<u>634</u>	<u>303</u>
Cash and cash equivalents at end of year	2	<u><u>295</u></u>	<u><u>634</u></u>

The notes form part of these financial statements

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

1 RECONCILIATION OF LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	30 9 12	30 9 11
	£'000	£'000
Loss before income tax	(386)	(208)
Depreciation charges	83	107
Change in intercompany balance	<u>386</u>	<u>170</u>
	83	69
(Increase)/decrease in trade and other receivables	(185)	136
(Decrease)/increase in trade and other payables	<u>(150)</u>	<u>128</u>
Cash generated from operations	<u><u>(252)</u></u>	<u><u>333</u></u>

2 CASH AND CASH EQUIVALENTS

The amounts disclosed on the statement of cash flow in respect of cash and cash equivalents are in respect of these statement of financial position amounts

Year ended 30 September 2012

	30/9/12	1/10/11
	£'000	£'000
Cash and cash equivalents	<u>295</u>	<u>634</u>

Year ended 30 September 2011

	30/9/11	1/10/10
	£'000	£'000
Cash and cash equivalents	<u>634</u>	<u>303</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 ACCOUNTING POLICIES

Background and basis of preparation

The Company is registered and domiciled in the UK

(a) Applicable accounting standards

The company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements on the grounds that it is a wholly owned subsidiary of CareTech Holdings PLC, for which consolidated financial statements are prepared and are publicly available from Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire EN6 1AG

The company financial statements have been prepared and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs")

The following adopted IFRSs were available for early application but have not been applied by the company in these financial statements

Endorsed		Effective for periods beginning on or after
IAS 1	Presentation of Items of Other Comprehensive Income (Amendments to IAS1)	1 July 2012
IAS 19	Employee Benefits	1 January 2013

The Directors anticipate that the above Standards will be adopted in the company's financial statements for the period commencing 1 October 2012 and that their adoption will have no material impact on the financial statements of the company

For the year ended 30 September 2012 no accounting standards, interpretations and amendments were adopted

(b) Measurement convention

The financial statements are prepared on the historical cost basis except that derivative financial instruments are stated at their fair value and contingent consideration is stated at fair value through profit or loss

Going Concern

The directors have a reasonable expectation that the group of which the company is a member has adequate resources to continue in operational existence for the foreseeable future. Further details are given in the financial statements of the ultimate parent company, CareTech Holdings PLC. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements

(c) Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is based on a first-in first-out cost basis.

(d) Financial instruments

Recognition, initial measurement and derecognition

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value adjusted by transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value. Subsequent measurement of financial assets and financial liabilities are described below.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 ACCOUNTING POLICIES - continued

Applicable accounting standards - continued

Classification and subsequent measurement of financial assets

For the purpose of subsequent measurement, financial assets other than those designated and effective as hedging instruments are classified into the following categories upon initial recognition

- loans and receivables
- financial assets at fair value through profit or loss (FVTPL)

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial recognition, these are measured at amortised cost using the effective interest method, less provision for impairment. Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables fall into this category of financial instruments. Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Financial assets at FVTPL

Financial assets at FVTPL include financial assets that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category. Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Classification and subsequent measurement of financial liabilities

The company's financial liabilities include borrowings, trade and other payables and derivative financial instruments. Financial liabilities are measured subsequently at amortised cost using the effective interest method, except for financial liabilities held for trading or designated at FVTPL, that are carried subsequently at fair value with gains or losses recognised in profit or loss. All derivative financial instruments that are not designated and effective as hedging instruments are accounted for at FVTPL.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

Where a non-substantial modification to the terms of a financial liability arises this is accounted for as an adjustment to the existing liability. The carrying value of the existing liabilities is adjusted for fees paid or costs incurred. The effective interest rate method is amended such that the adjusted carrying amount and the revised estimate of future cash flows are discounted over the revised, estimated life of the liability. No gain or loss is recorded on modification.

Derivative financial instruments and hedging

From time to time, the Group enters into derivative financial instruments, such as interest rate swaps, to manage its exposure to interest rate risk.

Derivatives are initially recognised at fair value at the date a derivative is entered into and are subsequently remeasured to their fair value at each balance sheet date. A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. The Group does not apply hedge accounting to these financial instruments.

A derivative is presented as a non-current asset or non-current liability if the Group has an unconditional right to defer payment beyond 12 months. Otherwise derivatives are presented as current assets or liabilities.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 ACCOUNTING POLICIES - continued

(e) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Where parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items of property, plant and equipment.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. Where land and buildings are held under leases the accounting treatment of the land is considered separately from that of the buildings. Leased assets acquired by way of finance lease are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses. Lease payments are accounted for as described below.

Depreciation is charged to the profit or loss over the estimated useful lives of each part of an item of property, plant and equipment. Land (which comprises approximately 50% of the land and buildings balance) is not depreciated. The Directors reassess the residual value estimates, particularly in respect of properties, on an annual basis. The estimated useful lives are as follows:

Freehold buildings	2% straight-line to residual value,
Long leasehold property	over the life of the lease (to a maximum of 50 years),
Short leasehold property	over the life of the lease,
Fixtures, fittings and equipment	15% straight line or 25% reducing balance dependent on date of acquisition
Motor Vehicles	25% reducing balance

(f) Intangible assets and goodwill

All business combinations are accounted for by applying the purchase method. Goodwill represents the excess of the fair value of the consideration over the fair value of the assets, liabilities and contingent liabilities acquired on acquisition of subsidiaries. Identifiable intangibles are those which can be sold separately or which arise from legal rights regardless of whether those rights are separable.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment.

Negative goodwill (bargain purchase credit) arising on an acquisition is recognised in profit or loss.

Other intangible assets that are acquired by the company are stated at cost less accumulated amortisation and impairment losses.

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life and goodwill are systematically tested for impairment at each balance sheet date. Other intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Customer relationships	3 - 20 years, and
Software and licences	5 years

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 ACCOUNTING POLICIES - continued

(g) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows.

(h) Impairment

The carrying amounts of the company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

For goodwill and assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the profit or loss.

Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Calculation of recoverable amount

The recoverable amount of the company's receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate. Receivables with a short duration are not discounted.

The recoverable amount of other assets is the greater of their net selling price and value in use. 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 an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversals of impairment

An impairment loss in respect of a receivable carried at amortised cost is reversed if the subsequent increase in recoverable amount can be related objectively to an event occurring after the impairment loss was recognised.

An impairment loss in respect of goodwill is not reversed.

In respect of other assets, an impairment loss is reversed when there is an indication that the impairment loss may no longer exist and there has been a change in the estimates used to determine the recoverable amount.

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.

(i) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between proceeds (net of transaction costs) and redemption value being recognised in the profit or loss over the period of the borrowings on an effective interest basis.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Interest associated with qualifying properties under development is capitalised in accordance with IAS 23 borrowing costs.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012

1 ACCOUNTING POLICIES - continued

(j) Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit or loss as incurred

Short term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employees and the obligation can be estimated reliably

(k) Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected, risk adjusted, future cash flows at a pre-tax risk-free rate

(l) Revenue

Revenue comprises the fair value of fee income receivable for the period in respect of the provision of care services and is recognised in respect of the days that care has been provided in the relevant period. Revenue invoiced in advance is included in deferred income until service is provided

(m) Expenses

Finance lease payments

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability

Financing costs

Financing costs, comprising interest payable on bank loans and overdrafts, finance charges on finance leases, the unwinding of the discount on provisions and the costs incurred in connection with the arrangement of borrowings are recognised in the income statement using the effective interest rate method

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Interest income also includes gains arising on the change in fair value of hedging instruments in the income statement

Financing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalised as part of the cost of that asset

Financing costs also include losses arising on the change in fair value of hedging instruments that are recognised in the income statement

Pre-contract costs

Pre-contract costs include the costs attributable to a contract for the period from the date of securing the contract to the date at which financial close is achieved. The award of preferred bidder status is considered as the point at which it is probable that the contract has been secured, although contracts are individually reviewed in order to apply the most appropriate treatment. Costs that relate directly to a contract and which are incurred in this period are included as part of pre-contract costs where they can be separately identified and reliably measured. Such amounts are held within other receivables until such time as financial close of the contract is achieved, at which time they are transferred to assets in the course of construction

(n) Operating leases

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement as an integral part of the total lease expense

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

1 ACCOUNTING POLICIES - continued

The company accounts for sale and leaseback transactions according to the nature of the lease arrangement which arises. Transactions which give rise to an operating lease, in which substantially all the risks and rewards of ownership are transferred, result in a profit or loss on disposal being recognised immediately, if the transaction is at fair value, calculated by reference to the sale price and the previous carrying value. Profits or losses arising on transactions giving rise to a finance lease, where the company retains substantially all the risks and rewards of ownership, are deferred and amortised over the shorter of the lease term and the life of the asset.

(o) Taxation

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

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

The company is part of a larger group of companies and as a result will be able to take advantage of group relief before paying any corporation tax. The tax benefits arising from group relief are recognised in the income statements of the surrendering and recipient companies.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for where the parent company controls the reversals: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date.

(p) Segmental analysis

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

Based on an analysis of risks and returns, the directors consider that the company has one identifiable business segment, being the provision of care services. The company likewise operates entirely in the UK and the directors consider the risks and returns do not differ between geographical locations. As such, no additional segmental disclosure is necessary.

2 EMPLOYEES AND DIRECTORS

	30 9 12	30 9 11
	£'000	£'000
Wages and salaries	1,652	1,919
Social security costs	134	156
	<u>1,786</u>	<u>2,075</u>

The average monthly number of employees during the year was as follows

	30 9 12	30 9 11
Residential care staff	68	72
Management and administration	8	9
	<u>76</u>	<u>81</u>

None of the directors received any remuneration for their services to the company in the year or preceding year.

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

3 LOSS BEFORE INCOME TAX

The loss before income tax is stated after charging

	30 9 12	30 9 11
	£'000	£'000
Depreciation - owned assets	<u>83</u>	<u>107</u>

4 INCOME TAX

Analysis of tax expense

No liability to UK corporation tax arose on ordinary activities for the year ended 30 September 2012 nor for the year ended 30 September 2011

Factors affecting the tax expense

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	30 9 12	30 9 11
	£'000	£'000
Loss on ordinary activities before income tax	<u>(386)</u>	<u>(208)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 25% (2011 - 27%)	(97)	(56)
Effects of Group relief	<u>97</u>	<u>56</u>
Tax expense	<u>-</u>	<u>-</u>

5 AUDITORS' REMUNERATION

	30 9 12	30 9 11
	£'000	£'000
Audit of these financial statements	<u>5</u>	<u>5</u>

Amounts paid to the company's auditors and their associates in respect of services to the company, other than the audit of the company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the financial statements of the company's parent, CareTech Holdings PLC

6 GOODWILL

COST	£'000
At 1 October 2011 and 30 September 2012	<u>1,450</u>
AMORTISATION	
At 1 October 2011 and 30 September 2012	<u>356</u>
NET BOOK VALUE	
At 30 September 2012	<u>1,094</u>

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

6 GOODWILL - continued

	£'000
COST	
At 1 October 2010 and 30 September 2011	1,450
AMORTISATION	
At 1 October 2010 and 30 September 2011	356
NET BOOK VALUE	
At 30 September 2011	1,094

Impairment testing for cash generating units containing goodwill

The company tests goodwill for impairment on an annual basis by considering the recoverable amount of individual cash generating units against carrying value

Cash generating units comprise collections of care homes acquired in separate transactions on which goodwill has arisen. This is the lowest level at which goodwill has arisen and is the lowest level at which goodwill is monitored for impairment by management.

For the purpose of impairment testing, the recoverable amount of each cash generating unit has been calculated with reference to value in use. The key assumptions for the value in use calculations are those regarding discount rates, growth and occupancy rates, achievement of future revenues and expected changes in direct costs during the periods. The assumptions have been reviewed in light of the current economic environment which has resulted in a more conservative estimate about future cash-flows. The key features of this calculation are shown below.

	30 9 12	30 9 11
Period on which management approved forecasts are based	1 year	1 year
Growth rate applied beyond approved forecast period	0%	0%
Pre-tax discount rate	8%	8%

In preparing value in use calculations for cash generating units cash-flow periods of between 10 and 20 years have been used in order to match the period of goodwill with the average period of time service users are expected to remain in their relevant home. Aside from this the risk profiles of each of the cash-generating units are considered to be the same since the operations are all similar. A growth rate of 0% has been used to ensure a measure of prudence in the calculation.

The directors believe that, even in the current economic environment and taking into account the nature of the Company's operations, any reasonably possible change in the key assumptions on which the recoverable amounts are based would not cause the cash-generating units' carrying amount to exceed the recoverable amount.

The carrying value of goodwill is split between the following cash generating units:

	30 9 12 £'000	30 9 11 £'000
Acquisition of the company's trade and assets	1,094	1,094

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

7 PROPERTY, PLANT AND EQUIPMENT

	Freehold property £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 October 2011	378	282	34	694
Additions	16	-	-	16
At 30 September 2012	394	282	34	710
DEPRECIATION				
At 1 October 2011	139	151	29	319
Charge for year	35	47	1	83
At 30 September 2012	174	198	30	402
NET BOOK VALUE				
At 30 September 2012	220	84	4	308
	Freehold property £'000	Fixtures and fittings £'000	Motor vehicles £'000	Totals £'000
COST				
At 1 October 2010	376	261	34	671
Additions	2	21	-	23
At 30 September 2011	378	282	34	694
DEPRECIATION				
At 1 October 2010	48	137	27	212
Charge for year	91	14	2	107
At 30 September 2011	139	151	29	319
NET BOOK VALUE				
At 30 September 2011	239	131	5	375

The company's freehold property is pledged as security for Caretech Holdings PLC's bank borrowings

8 TRADE AND OTHER RECEIVABLES

	30 9 12 £'000	30 9 11 £'000
Current		
Trade receivables	369	270
Amounts owed by group undertakings	615	1,001
Other receivables	-	68
Accrued income	58	-
Prepayments	153	57
	1,195	1,396

9 CASH AND CASH EQUIVALENTS

	30 9 12 £'000	30 9 11 £'000
Cash at bank	295	634

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

10 CALLED UP SHARE CAPITAL

Allotted, issued and fully paid Number	Class	Nominal value £1	30 9 12 £	30 9 11 £
100	Ordinary shares		<u>100</u>	<u>100</u>

11 RESERVES

	Retained earnings £'000
At 1 October 2011	2,435
Deficit for the year	<u>(386)</u>
At 30 September 2012	<u>2,049</u>

12 TRADE AND OTHER PAYABLES

	30 9 12 £'000	30 9 11 £'000
Current		
Trade payables	136	164
Social security and other taxes	239	298
Other payables	132	181
Deferred income	-	9
Accrued expenses	<u>17</u>	<u>22</u>
	<u>524</u>	<u>674</u>

13 LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows

	30 9 12 £'000	30 9 11 £'000
Within one year	388	667
Between one and five years	332	358
In more than five years	<u>57</u>	<u>-</u>
	<u>777</u>	<u>1,025</u>

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

14 RELATED PARTY DISCLOSURES

The company has conducted a commercial trading relationship with a number of companies in its wider group

The company had the following transactions in the year with related parties

	30 9 12 £'000 Receivable/ (Payable) balance	30 9 11 £'000 Receivable/ (Payable) balance
Parent company	615	(1,770)
Fellow group undertakings	-	2,771
	<u>615</u>	<u>1,001</u>

The movement during the year is due to cash advances made by the company

The directors are considered to be the key management personnel of the company. Their emoluments are disclosed in note 2.

15 ULTIMATE PARENT UNDERTAKING

The company's ultimate parent undertaking is CareTech Holdings PLC. The consolidated financial statements of this Group are available to the public and may be obtained from Metropolitan House, 3 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AG.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012

16 FINANCIAL INSTRUMENTS

The use of financial instruments is managed under policies and procedures approved by the Board. These are designed to reduce the financial risks faced by the company, which primarily relate to credit, interest and liquidity risks, which arise in the normal course of the company's business.

Credit risk

Financial instruments which potentially expose the company to credit risk consist primarily of cash equivalents and trade receivables. Cash equivalents are deposited only with major financial institutions that satisfy certain credit criteria.

Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are carried out on all significant prospective customers and all existing customers requiring credit beyond a certain threshold. Varying approval levels are set on the extension of credit depending upon the value of the sale.

Where the credit risk is deemed to have risen to an unacceptable level, remedial actions including the variation of terms of trade are implemented under the guidance of senior management until the level of credit risk has been normalised.

The company provides credit to customers in the normal course of business with a provision for specific doubtful receivables. The balance includes the amounts considered recoverable which also equals their fair value. The company does not require collateral in respect of financial assets. During the year there was no charge to the income statement for bad or doubtful debts (30 September 2011: £Nil).

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

The trade receivables as at 30 September are aged as follows:

	30 9 12 £'000	30 9 11 £'000
Not past due	369	270
Not more than three months past due	-	-
More than three months but not more than six months past due	-	-
More than six months past due	-	-
Trade receivables	<u>369</u>	<u>270</u>

Interest rate risk

The company finances its operations through called up share capital, retained profits, intergroup borrowings and bank borrowings. The company's income is by its nature relatively stable and its growth is, inter alia, impacted by inflation. Company policy is to balance interest rate fixes between the short, medium and long term. The benchmark rate for bank borrowings is LIBOR.

Liquidity Risk

The company prepares annual cash flow forecasts reflecting known commitments and anticipated projects. Borrowing facilities are arranged as necessary to finance requirements. The wider group has available bank and overdraft facilities, sufficient, with cash flow from profits, to fund present commitments. Term facilities are utilised to fund capital expenditure and short term flexibility is achieved by the utilisation of overdraft facilities in respect of financial liabilities.

The following table indicates contracted cash flow maturities:

30 09 12	Effective Interest rate %	Carrying Amount £'000	Contractual Cash flows £'000	< 1 year £'000	1-5 years £'000	5 years & over £'000
Trade and other payables	-	(136)	(136)	(136)	-	-

ONE STEP (SUPPORT) LIMITED (REGISTERED NUMBER 04534652)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2012**

30 09 11	Effective interest rate %	Carrying amount £'000	Contractual Cash flows £'000	< 1 year £'000	1-5 years £'000	5 years & over £'000
Trade and other payables	-	(164)	(164)	(164)	-	-

Capital risk management

The company manages its capital to ensure that activities of the company will be able to continue as going concerns whilst maximising returns for stakeholders through the optimisation of debt and equity. The company does not currently have any external debt and details of the company's equity are disclosed in the Statement of Financial Position.

Foreign currency risk

The company operates entirely in the UK and is not exposed to any foreign currency risks.

Sensitivity analysis

In managing interest rate risks the company aims to reduce the impact of short-term fluctuations on the company's earnings. Over the longer-term, however, permanent changes in interest rates would have an impact on earnings. However, the wider group's financing arrangements mean that there is not expected to be a significant impact from interest rate changes on the company.

Fair values

Book values are considered to be equivalent to fair values.

17 ACCOUNTING ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make estimates and assumptions which effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

In the process of applying the company's accounting policies, the directors have made the following estimates and judgements which have the most significant effect on the amounts recognised in the financial statements:

Property, plant and equipment

It is company policy to depreciate property, plant and equipment to their estimated residual value over their estimated useful lives. This applies an appropriate matching of the revenue earned with the capital costs of delivery of services. A key element of this policy is the annual estimate of the residual value of such assets. Similarly the directors estimate the useful life applied to each category of property, plant and equipment which, in turn, determines the annual depreciation charge. Variations in residual values or asset lives could impact significantly company profit through an increase in the depreciation charge.

Current asset provisions

In the course of normal trading activities, judgement is used to establish the net realisable value of various elements of working capital, principally trade receivables. Provisions are established for bad and doubtful debts. Provisions are based on the facts available at the time and are also determined by using profiles, based upon past practise, applied to aged receivables.

In estimating the collectability of trade receivables, judgement is required assessing their likely realisation, including the current creditworthiness of each customer and related ageing of past due balance. Specific accounts are assessed in situations where a customer may not be able to meet its financial obligations due to deterioration of its financial condition, credit ratings or bankruptcy.