



# **CARE VISIONS LIMITED**

## **FINANCIAL STATEMENTS**

**PERIOD ENDED 31<sup>ST</sup> OCTOBER 2011**

# **CARSON & TROTTER**

**CHARTERED ACCOUNTANTS  
123 IRISH STREET  
DUMFRIES  
DG1 2PE**

**TUESDAY**



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**SCT**

**17/07/2012**

**#615**

**COMPANIES HOUSE**

**Care Visions Limited**  
**Consolidated Financial Statements**

**Company information**

|                   |                                                                                      |
|-------------------|--------------------------------------------------------------------------------------|
| Director          | M. J. Reid                                                                           |
| Secretary         | R. S. J. Wishart                                                                     |
| Company number    | SC367451                                                                             |
| Registered office | Apex House 3<br>95 Haymarket Terrace<br>Edinburgh<br>EH12 5HD                        |
| Auditors          | Carson & Trotter<br>Chartered Accountants<br>123 Irish Street<br>Dumfries<br>DG1 2PE |
| Solicitors        | Tods Murray LLP<br>Edinburgh Quay<br>133 Fountainbridge<br>Edinburgh<br>EH3 9AG      |

**Care Visions Limited**  
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**Care Visions Limited**  
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**Director's report**  
**for the period ended 31st October 2011**

The director presents his report and the financial statements for the period ended 31st October 2011.

**Principal activity and review of the business**

The principal activity of the parent company during the period was the management of subsidiary companies. The principal activities of the group as a whole during the period continues to be the provision of health care and social care services within the United Kingdom and to a lesser extent the provision of interim management services.

**Care Visions Residential Care**

Care Visions provides a residential service for "looked after" children across Scotland in homes which range from a one-bedded to a four-bedded service mainly in rural settings. Care Visions provide high quality, flexible and innovative care in safe nurturing environments to help improve outcomes for children and young people in our care by using the New York based Sanctuary therapeutic model for dealing with trauma. Placements in Care Visions Residential Services can be on a crisis basis, a respite basis or on a more long term basis.

Care Visions Residential Services achieve high outcomes in inspection ratings carried out by the Care Inspectorate.

Number of placements and turnover in residential services continues to grow. During the period a new home was opened in the North-East of Scotland and there are plans for more new home openings in the future.

**Care Visions Fostering Services**

Care Visions recruits, trains, assesses and approves foster carers throughout Scotland and provides fostering care placements to children and young people of all ages. Care Visions offers a variety of placement types including short term, assessment, emergency and crisis placement, respite, long term placement and both sibling placement and parent and baby placement.

Fostering services continue to growth both placement numbers and number of carers and any profit made is directly invested back into the business.

Care Visions believe in having an effective quality management system and methods, policies and procedures are continually updated in order to maintain high standards. These standards are in line with therapeutic research (using the Sanctuary model for dealing with trauma), new developments, legislation and practice. There is very close working between Care Visions' staff, the network of foster carers and local authorities in order to tailor services to meet planned placement requirements thereby achieving the best possible outcome for young people.

Care Visions Fostering currently operates out of offices in Stirling, Edinburgh, Lockerbie and Laurencekirk.

**Care Visions Limited**  
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**Director's report**  
**for the period ended 31st October 2011**

..... continued

**Care Visions at Home**

Care Visions at Home provides nursing and domiciliary care and is registered as such with the Care Quality Commission (CQC).

Care Visions works collaboratively with Commissioners and Health & Social Care Professionals, to provide care and support for people with advanced or progressive, complex needs and/or life limiting conditions within their own home environment. Care Visions' innovative approach to the provision of care ensures that the service is clinically-led and supervised, person centred, evidence based with a consistent approach to maintain continuity of care.

The permanent workforce is highly skilled and competent and each member of staff has, as a minimum, achieved the required standards and competencies. The needs of each person are assessed then an appropriately aligned core team of Health Care Assistants are allocated to that individual. Through the Care Co-ordinators and clinical staffing model, frequent supervision and training is provided to maintain a skilled and competent workforce.

During the period the company operated out of Newcastle but has since opened offices in Manchester and Leeds.

Care Visions At Home continues to be loss making during this period as investment continues to fund the growth. Organic growth is planned across the business.

**Financial performance**

The director can report that the group has recorded a profit before tax of £373,872 in the period ended 31st October 2011. Turnover of £12,437,636 was recorded and operating profit was £453,578.

**Results and dividends**

The results for the period are set out on page 6.

The director does not recommend payment of a final dividend.

**Financial risk management objectives and policies**

The key risks and uncertainties facing the company include the retention of key employees, who are an important factor in the successful delivery of the group's business plan, and the potential reductions in Local Authority budgets. The director has assessed the major risks and uncertainties to which the group is exposed, in particular those related to the operations and financing of the group and are satisfied that systems are in place to mitigate these.

**Director**

The director who served during the period is as stated below:

M. J. Reid

**Care Visions Limited**  
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**Director's report**  
**for the period ended 31st October 2011**

..... continued

**Statement of director's responsibilities**

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial period. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

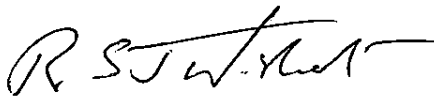
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

In so far as the director is aware:

- there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- the director has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This report was approved by the Board on 20th March 2012 and signed on its behalf by



**R. S. J. Wishart**  
**Secretary**

**Independent auditor's report to the shareholders of**  
**Care Visions Limited**

We have audited the financial statements of Care Visions Limited for the period ended 31st October 2011 which comprise the group profit and loss account, the group and parent company balance sheets the group cashflow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors' 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 director and auditors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Director's report and financial statements to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications of our report.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31st October 2011 and of the group's profit 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.

**Opinion on other matter prescribed by the Companies Act 2006.**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Independent auditor's report to the shareholders of**  
**Care Visions Limited**

.....continued

**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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

*Roderick S Williamson BA CA*

**Roderick Williamson BA CA (senior statutory auditor)**

**For and on behalf of Carson & Trotter**

**Chartered Accountants and**

**Statutory Auditors**

**21st March 2012**

**123 Irish Street**

**Dumfries**

**DG1 2PE**

**Care Visions Limited**  
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**Group profit and loss account**  
**for the period ended 31st October 2011**

|                                                        |              | <b>Continuing operations</b> |                     |
|--------------------------------------------------------|--------------|------------------------------|---------------------|
|                                                        |              | <b>Period ended</b>          | <b>Period ended</b> |
|                                                        |              | <b>31/10/11</b>              | <b>05/11/10</b>     |
|                                                        | <b>Notes</b> | <b>£</b>                     | <b>£</b>            |
| <b>Turnover</b>                                        | <b>2</b>     | 12,437,636                   | 8,700,993           |
| Cost of sales                                          |              | (7,589,522)                  | (5,337,209)         |
| <b>Gross profit</b>                                    |              | 4,848,114                    | 3,363,784           |
| Administrative expenses                                |              | (4,394,536)                  | (3,138,522)         |
| <b>Operating profit</b>                                | <b>3</b>     | 453,578                      | 225,262             |
| Other interest receivable and similar income           | <b>5</b>     | -                            | 36                  |
| Interest payable and similar charges                   | <b>6</b>     | (79,706)                     | (9,698)             |
| <b>Profit on ordinary activities before taxation</b>   |              | 373,872                      | 215,600             |
| Tax on profit on ordinary activities                   | <b>9</b>     | (120,163)                    | (53,295)            |
| <b>Profit for the financial period</b>                 | <b>20</b>    | 253,709                      | 162,305             |
| <b>Attributable to:-</b>                               |              |                              |                     |
| <b>Care Visions Limited shareholders</b>               |              | 107,844                      | (11,226)            |
| <b>Minority interest shareholders</b>                  |              | 94,257                       | (16,726)            |
|                                                        |              | 202,101                      | (27,952)            |
| <b>Non-distributable reserves of guarantee company</b> |              | 51,608                       | 190,257             |
|                                                        |              | 253,709                      | 162,305             |

There are no recognised gains or losses other than the profit or loss for the above two financial periods.

The notes on pages 10 to 23 form an integral part of these financial statements.

**Care Visions Limited**  
**Consolidated Financial Statements**

**Group Balance sheet**  
**as at 31st October 2011**

|                                                                |       | 31/10/11         |                    | 05/11/10         |                    |
|----------------------------------------------------------------|-------|------------------|--------------------|------------------|--------------------|
|                                                                | Notes | £                | £                  | £                | £                  |
| <b>Fixed assets</b>                                            |       |                  |                    |                  |                    |
| Intangible assets                                              | 10    |                  | 1,360,857          |                  | 1,437,406          |
| Tangible assets                                                | 11    |                  | 619,324            |                  | 606,190            |
|                                                                |       |                  | <u>1,980,181</u>   |                  | <u>2,043,596</u>   |
| <b>Current assets</b>                                          |       |                  |                    |                  |                    |
| Debtors                                                        | 13    | 1,222,981        |                    | 1,336,105        |                    |
| Cash at bank and in hand                                       |       | 581,536          |                    | 44,663           |                    |
|                                                                |       | <u>1,804,517</u> |                    | <u>1,380,768</u> |                    |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (3,441,646)      |                    | (3,171,468)      |                    |
| <b>Net current liabilities</b>                                 |       |                  | <u>(1,637,129)</u> |                  | <u>(1,790,700)</u> |
| <b>Total assets less current liabilities</b>                   |       |                  | 343,052            |                  | 252,896            |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |                  | (159,533)          |                  | (327,228)          |
| <b>Provisions for liabilities</b>                              | 16    |                  | <u>(15,658)</u>    |                  | <u>(11,516)</u>    |
| <b>Net assets/(liabilities)</b>                                |       |                  | <u>167,861</u>     |                  | <u>(85,848)</u>    |
| <b>Capital and reserves</b>                                    |       |                  |                    |                  |                    |
| Called up share capital                                        | 19    |                  | 19,570             |                  | 19,570             |
| Profit and loss account                                        | 20    |                  | 96,618             |                  | (11,226)           |
| <b>Care Visions Limited shareholders' funds</b>                |       |                  | <u>116,188</u>     |                  | <u>8,344</u>       |
| <b>Minority interest shareholders' funds</b>                   |       |                  | 50,413             |                  | (43,844)           |
|                                                                |       |                  | <u>166,601</u>     |                  | <u>(35,500)</u>    |
| <b>Non-distributable reserves of guarantee company</b>         |       |                  | 1,260              |                  | (50,348)           |
| <b>Total shareholders' funds</b>                               | 21    |                  | <u>167,861</u>     |                  | <u>(85,848)</u>    |

The financial statements were approved and authorised for issue by the Board on 20th March 2012 and signed on its behalf by



**M. J. Reid**

**Director**

**Registration number SC367451**

**The notes on pages 10 to 23 form an integral part of these financial statements.**

**Care Visions Limited**  
**Consolidated Financial Statements**

**Balance sheet of Care Visions Limited**  
**as at 31st October 2011**

|                                                                | Notes | 31/10/11  |           | 05/11/10  |           |
|----------------------------------------------------------------|-------|-----------|-----------|-----------|-----------|
|                                                                |       | £         | £         | £         | £         |
| <b>Fixed assets</b>                                            |       |           |           |           |           |
| Investments                                                    | 12    |           | 627,602   |           | 627,602   |
| <b>Creditors: amounts falling due within one year</b>          | 14    | (478,711) |           | (316,220) |           |
| <b>Net current liabilities</b>                                 |       |           | (478,711) |           | (316,220) |
| <b>Total assets less current liabilities</b>                   |       |           | 148,891   |           | 311,382   |
| <b>Creditors: amounts falling due after more than one year</b> | 15    |           | (159,533) |           | (300,000) |
| <b>Net assets/(liabilities)</b>                                |       |           | (10,642)  |           | 11,382    |
| <b>Capital and reserves</b>                                    |       |           |           |           |           |
| Called up share capital                                        | 19    |           | 19,570    |           | 19,570    |
| Profit and loss account                                        | 20    |           | (30,212)  |           | (8,188)   |
| <b>Shareholders' funds</b>                                     | 21    |           | (10,642)  |           | 11,382    |

The financial statements were approved and authorised for issue by the Board on 20th March 2012 and signed on its behalf by

  
M. J. Reid  
Director

Registration number SC367451

The notes on pages 10 to 23 form an integral part of these financial statements.

**Care Visions Limited**  
**Consolidated Financial Statements**

**Group cash flow statement**  
**for the period ended 31st October 2011**

|                                                                                        | Notes | Period<br>ended<br>31/10/11<br>£ | Period<br>ended<br>05/11/10<br>£ |
|----------------------------------------------------------------------------------------|-------|----------------------------------|----------------------------------|
| <b>Reconciliation of operating profit to net cash inflow from operating activities</b> |       |                                  |                                  |
| Operating profit                                                                       |       | 453,578                          | 225,262                          |
| Depreciation                                                                           |       | 213,203                          | 158,581                          |
| Decrease in debtors                                                                    |       | 124,212                          | (1,336,105)                      |
| Increase in creditors                                                                  |       | 565,135                          | 2,680,750                        |
| Government grant released                                                              |       | -                                | (11,166)                         |
| <b>Net cash inflow from operating activities</b>                                       |       | <u>1,356,128</u>                 | <u>1,717,322</u>                 |
| <b>Cash flow statement</b>                                                             |       |                                  |                                  |
| Net cash inflow from operating activities                                              |       | 1,356,128                        | 1,717,322                        |
| Returns on investments and servicing of finance                                        | 25    | (79,706)                         | (9,662)                          |
| Taxation                                                                               | 25    | (15,073)                         | (65,836)                         |
| Capital expenditure                                                                    | 25    | (149,789)                        | (1,381,002)                      |
|                                                                                        |       | <u>1,111,560</u>                 | <u>260,822</u>                   |
| Financing                                                                              | 25    | 6,342                            | 337,107                          |
| <b>Increase in cash in the period</b>                                                  |       | <u>1,117,902</u>                 | <u>597,929</u>                   |
| <b>Reconciliation of net cash flow to movement in net funds (Note 26)</b>              |       |                                  |                                  |
| <b>Increase in cash in the period</b>                                                  |       | 1,117,902                        | 597,929                          |
| Cash outflow from decrease in debts and lease financing                                |       | (6,342)                          | (1,170,718)                      |
| Change in net funds resulting from cash flows                                          |       | 1,111,560                        | (572,789)                        |
| <b>Net debt at 6th November 2010</b>                                                   |       | <u>(753,022)</u>                 | <u>(180,233)</u>                 |
| <b>Net funds at 31st October 2011</b>                                                  |       | <u>358,538</u>                   | <u>(753,022)</u>                 |

**Care Visions Limited**  
**Consolidated Financial Statements**

**Notes to the financial statements**  
**for the period ended 31st October 2011**

**1. Accounting policies**

**1.1. Accounting convention**

The financial statements are prepared under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board.

The group has consistently applied all relevant accounting standards.

**1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax where appropriate, of sales made during the period. Income is recognised as the right to consideration obtained through performance of contractual obligations, and is included in the financial statements when the company is legally entitled to the income. Revenue derived from the provision of childcare services is received in advance, and deferred until each placement commences, whereupon it is recognised as turnover as services are rendered. One of the group companies derives revenue from the provision of interim management services and uses an invoice factoring facility. In accordance with the requirements of accounting standards, a separate presentation has been adopted, whereby the factored debts are shown as an asset of the group, the corresponding sum received from the factor is shown as a liability of the group and the factor's charges and other associated costs are recognised as they accrue and are included in the Profit and Loss Account.

**1.3. Goodwill**

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years.

**1.4. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

|                                     |   |                                          |
|-------------------------------------|---|------------------------------------------|
| Land and buildings                  | - | Straight line over fifty years           |
| Leasehold properties                | - | Straight line over the life of the lease |
| Fixtures, fittings<br>and equipment | - | 15% straight line / 25% reducing balance |
| Computer<br>equipment               | - | 33% straight line                        |

Where it is anticipated that a lease of a property will be renewed so that the period of occupation will exceed five years, capitalised works to leased properties are amortised over five years. Where such renewal is not expected, the sums involved are amortised over the shorter of five years or the period of the lease.

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**Notes to the financial statements**  
**for the period ended 31st October 2011**

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**1.5. Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

**1.6. Investments**

Fixed asset investments are stated at cost less provision for permanent diminution in value.

**1.7. Pensions**

The group operates a defined contribution scheme for employees. Pension costs charged in the financial statements represent the contribution payable by the group during the period.

**1.8. Deferred taxation**

Deferred tax is provided on the liability method to take account of timing differences between certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

**1.9. Government grants**

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

**1.10. Group accounts**

The group has taken advantage of the exemption, conferred by Section 408 of the Companies Act 2006, from the obligation to include a separate Profit and Loss Account for the parent company.

**2. Turnover**

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the UK.

|                             | <b>Period<br/>ended<br/>31/10/11<br/>£</b> | <b>Period<br/>ended<br/>05/11/10<br/>£</b> |
|-----------------------------|--------------------------------------------|--------------------------------------------|
| <b>Class of business</b>    |                                            |                                            |
| Childcare services          | 10,886,998                                 | 6,567,764                                  |
| Home care services          | 450,645                                    | 26,728                                     |
| Interim management services | 1,099,993                                  | 2,106,501                                  |
|                             | <u>12,437,636</u>                          | <u>8,700,993</u>                           |

The turnover stated above, is all attributable to the subsidiary undertakings.

**Care Visions Limited**  
**Consolidated Financial Statements**

**Notes to the financial statements**  
**for the period ended 31st October 2011**

..... continued

|                                                              | <b>Period<br/>ended<br/>31/10/11<br/>£</b> | <b>Period<br/>ended<br/>05/11/10<br/>£</b> |
|--------------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>3. Operating profit</b>                                   |                                            |                                            |
| Operating profit is stated after charging:                   |                                            |                                            |
| Depreciation and other amounts written off intangible assets | 76,548                                     | 70,878                                     |
| Depreciation and other amounts written off tangible assets   | 136,653                                    | 62,938                                     |
| Loss on disposal of tangible fixed assets                    | -                                          | 24,765                                     |
| Operating lease rentals                                      |                                            |                                            |
| - Motor vehicles                                             | 160,358                                    | 124,454                                    |
| Auditors' remuneration (Note 4)                              | 30,480                                     | 21,176                                     |
|                                                              | <u>          </u>                          | <u>          </u>                          |
| and after crediting:                                         |                                            |                                            |
| Government grants                                            | -                                          | 11,166                                     |
|                                                              | <u>          </u>                          | <u>          </u>                          |
| <b>4. Auditors' remuneration</b>                             |                                            |                                            |
|                                                              | <b>Period<br/>ended<br/>31/10/11<br/>£</b> | <b>Period<br/>ended<br/>05/11/10<br/>£</b> |
| Auditors' remuneration - audit of the financial statements   | 6,250                                      | 2,000                                      |
|                                                              | <u>          </u>                          | <u>          </u>                          |
| Auditors' remuneration - other fees:                         |                                            |                                            |
| - Audit of subsidiary company accounts                       | 24,230                                     | 19,176                                     |
|                                                              | <u>          </u>                          | <u>          </u>                          |
| <b>5. Interest receivable and similar income</b>             | <b>Period<br/>ended<br/>31/10/11<br/>£</b> | <b>Period<br/>ended<br/>05/11/10<br/>£</b> |
| Bank interest                                                | -                                          | 36                                         |
|                                                              | <u>          </u>                          | <u>          </u>                          |
| <b>6. Interest payable and similar charges</b>               | <b>Period<br/>ended<br/>31/10/11<br/>£</b> | <b>Period<br/>ended<br/>05/11/10<br/>£</b> |
| Interest payable on loans < 1 yr                             | 41,659                                     | 9,698                                      |
| On overdue tax                                               | 318                                        | -                                          |
| On overdue PAYE                                              | 37,729                                     | -                                          |
|                                                              | <u>          </u>                          | <u>          </u>                          |
|                                                              | 79,706                                     | 9,698                                      |
|                                                              | <u>          </u>                          | <u>          </u>                          |

**Care Visions Limited**  
**Consolidated Financial Statements**

**Notes to the financial statements**  
**for the period ended 31st October 2011**

..... continued

**7. Employees**

|                                                                                              | <b>Period<br/>ended<br/>31/10/11</b> | <b>Period<br/>ended<br/>05/11/10</b> |
|----------------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
| <b>Number of employees</b>                                                                   |                                      |                                      |
| The average monthly numbers of employees<br>(including the director) during the period were: |                                      |                                      |
| Careworkers                                                                                  | 187                                  | 208                                  |
| Management                                                                                   | 60                                   | 53                                   |
|                                                                                              | <u>247</u>                           | <u>261</u>                           |

| <b>Employment costs</b> | <b>31/10/11<br/>£</b> | <b>05/11/10<br/>£</b> |
|-------------------------|-----------------------|-----------------------|
| Wages and salaries      | 5,773,757             | 3,641,050             |
| Social security costs   | 529,868               | 433,870               |
| Pension costs           | 41,004                | 43,117                |
|                         | <u>6,344,629</u>      | <u>4,118,037</u>      |

|                                     | <b>Period<br/>ended<br/>31/10/11<br/>£</b> | <b>Period<br/>ended<br/>05/11/10<br/>£</b> |
|-------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>7.1. Directors' remuneration</b> |                                            |                                            |
| Remuneration and other emoluments   | <u>49,475</u>                              | <u>26,803</u>                              |

**8. Pension costs**

The group operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the group and amounted to £41,004.

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**9. Tax on profit on ordinary activities**

|                                              | <b>Period<br/>ended<br/>31/10/11<br/>£</b> | <b>Period<br/>ended<br/>05/11/10<br/>£</b> |
|----------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>Analysis of charge in period</b>          |                                            |                                            |
| <b>Current tax</b>                           |                                            |                                            |
| UK corporation tax                           | 127,110                                    | 15,072                                     |
| Adjustments in respect of previous periods   | (11,088)                                   | 30,283                                     |
|                                              | <u>116,022</u>                             | <u>45,355</u>                              |
| Total current tax charge                     | <u>116,022</u>                             | <u>45,355</u>                              |
| <b>Deferred tax</b>                          |                                            |                                            |
| Timing differences, origination and reversal | 4,141                                      | 7,940                                      |
| Total deferred tax                           | <u>4,141</u>                               | <u>7,940</u>                               |
| Tax on profit on ordinary activities         | <u>120,163</u>                             | <u>53,295</u>                              |

**Factors affecting tax charge for period**

The tax assessed for the period is higher than the standard rate of corporation tax in the UK (26.00 per cent). The differences are explained below:

|                                                                                                  | <b>2011<br/>£</b> | <b>2010<br/>£</b> |
|--------------------------------------------------------------------------------------------------|-------------------|-------------------|
| Profit on ordinary activities before taxation per accounts                                       | 373,873           | 215,598           |
| Pre-acquisition profits on ordinary activities before taxation                                   | -                 | (96,660)          |
| Goodwill on consolidation                                                                        | 59,537            | 59,537            |
| Profit on ordinary activities on which tax is payable by group                                   | <u>433,410</u>    | <u>178,475</u>    |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 26.00% | 112,687           | 37,480            |
| <b>Effects of:</b>                                                                               |                   |                   |
| Expenses not deductible for tax purposes                                                         | 13,225            | 15,966            |
| Capital allowances for period in excess of depreciation                                          | 20,728            | 9,331             |
| Utilisation of tax losses                                                                        | (16,614)          | (40,901)          |
| Adjustments to tax charge in respect of previous periods                                         | (11,088)          | 30,283            |
| Items capitalised eligible for deduction                                                         | (898)             | (6,804)           |
| Differing tax rates applicable for part of the period                                            | 2,922             | -                 |
| Deduction given for items disallowed in the previous period                                      | (4,940)           | -                 |
| Current tax charge for period                                                                    | <u>116,022</u>    | <u>45,355</u>     |

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**10. Group intangible fixed assets**

|                        | <b>Goodwill</b> | <b>Total</b> |
|------------------------|-----------------|--------------|
|                        | <b>£</b>        | <b>£</b>     |
| <b>Cost</b>            |                 |              |
| At 6th November 2010   | 1,530,965       | 1,530,965    |
| At 31st October 2011   | 1,530,965       | 1,530,965    |
| <b>Amortisation</b>    |                 |              |
| At 6th November 2010   | 93,559          | 93,559       |
| Charge for period      | 76,549          | 76,549       |
| At 31st October 2011   | 170,108         | 170,108      |
| <b>Net book values</b> |                 |              |
| At 31st October 2011   | 1,360,857       | 1,360,857    |
| At 5th November 2010   | 1,437,406       | 1,437,406    |

**11. Group tangible fixed assets**

|                        | <b>Land and<br/>buildings<br/>freehold</b> | <b>Long<br/>leasehold<br/>property</b> | <b>Fixtures,<br/>fittings and<br/>equipment</b> | <b>Computer<br/>equipment</b> | <b>Total</b> |
|------------------------|--------------------------------------------|----------------------------------------|-------------------------------------------------|-------------------------------|--------------|
|                        | <b>£</b>                                   | <b>£</b>                               | <b>£</b>                                        | <b>£</b>                      | <b>£</b>     |
| <b>Cost</b>            |                                            |                                        |                                                 |                               |              |
| At 6th November 2010   | 260,241                                    | 658,978                                | 398,313                                         | 187,821                       | 1,505,353    |
| Additions              | -                                          | 84,667                                 | 34,444                                          | 30,678                        | 149,789      |
| Disposals              | -                                          | (350,220)                              | (44,913)                                        | (124,111)                     | (519,244)    |
| At 31st October 2011   | 260,241                                    | 393,425                                | 387,844                                         | 94,388                        | 1,135,898    |
| <b>Depreciation</b>    |                                            |                                        |                                                 |                               |              |
| At 6th November 2010   | 30,567                                     | 449,301                                | 262,001                                         | 157,294                       | 899,163      |
| On disposals           | -                                          | (350,220)                              | (44,913)                                        | (124,111)                     | (519,244)    |
| Charge for the period  | 3,405                                      | 65,280                                 | 49,184                                          | 18,786                        | 136,655      |
| At 31st October 2011   | 33,972                                     | 164,361                                | 266,272                                         | 51,969                        | 516,574      |
| <b>Net book values</b> |                                            |                                        |                                                 |                               |              |
| At 31st October 2011   | 226,269                                    | 229,064                                | 121,572                                         | 42,419                        | 619,324      |
| At 5th November 2010   | 229,674                                    | 209,677                                | 136,312                                         | 30,527                        | 606,190      |

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| <b>12. Fixed asset investments of<br/>Care Visions Limited</b> | <b>Subsidiary<br/>undertakings<br/>shares<br/>£</b> | <b>Total<br/>£</b> |
|----------------------------------------------------------------|-----------------------------------------------------|--------------------|
| <b>Cost</b>                                                    |                                                     |                    |
| At 6th November 2010                                           |                                                     |                    |
| At 31st October 2011                                           | 627,602                                             | 627,602            |
| <b>Net book values</b>                                         |                                                     |                    |
| At 31st October 2011                                           | 627,602                                             | 627,602            |
| At 5th November 2010                                           | 627,602                                             | 627,602            |

**12.1. Holdings of 20% or more**

The parent company holds 20% or more of the share capital of the following companies:

| <b>Company</b>                          | <b>Country of<br/>registration</b> | <b>Nature of<br/>business</b>   | <b>Shares<br/>held<br/>class</b> | <b>Proportion<br/>of shares<br/>held</b> |
|-----------------------------------------|------------------------------------|---------------------------------|----------------------------------|------------------------------------------|
| <b>Subsidiary undertaking</b>           |                                    |                                 |                                  |                                          |
| Care Visions Resourcing Limited         | England                            | Interim management services     | Ordinary                         | 100%                                     |
| Carevisions@Home Limited                | Scotland                           | Care in the home                | Ordinary                         | 100%                                     |
| Care Visions Holdings Limited           | Scotland                           | Management of group companies   | Ordinary                         | 100%                                     |
| Care Visions Group Limited              | Scotland                           | Provision of childcare services | Ordinary                         | 86.5%                                    |
| Orca House Limited                      | Scotland                           | Dormant                         | Ordinary                         | 86.5%                                    |
| Carevisions Fostering Limited           | Scotland                           | Provision of foster care        | N/A                              | N/A                                      |
| Care Visions Fostering Services Limited | Scotland                           | Dormant                         | Ordinary                         | 100%                                     |

Carevisions Fostering Limited is a company limited by guarantee and is classed as a subsidiary because Care Visions Group Limited is the sole member of the company and therefore has 100% control over it.

Orca House is a 100% subsidiary of Care Visions Group Limited. The activities of the company ceased in 2004.

Care Visions Fostering Services Limited is a 100% subsidiary of Care Visions Holdings Limited. The company has not yet started to trade and in accordance with Section 405(2) of the Companies Act 2006 is excluded from the consolidation.

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| 13. Debtors                    | 31/10/11<br>£    | 05/11/10<br>£    |
|--------------------------------|------------------|------------------|
| Trade debtors                  | 845,809          | 1,047,014        |
| Other debtors                  | 21,848           | 22,895           |
| Prepayments and accrued income | 355,324          | 266,196          |
|                                | <u>1,222,981</u> | <u>1,336,105</u> |

| 14. Creditors: amounts falling due within one year | Parent<br>31/10/11<br>£ | Group<br>31/10/11<br>£ | Parent<br>05/11/10<br>£ | Group<br>05/11/10<br>£ |
|----------------------------------------------------|-------------------------|------------------------|-------------------------|------------------------|
| Bank overdraft                                     | -                       | -                      | -                       | 413,334                |
| Bank loan                                          | -                       | 41,465                 | -                       | 57,124                 |
| Other short term loans                             | -                       | 22,000                 | -                       | -                      |
| Trade creditors                                    | -                       | 325,286                | -                       | 359,727                |
| Amounts owed to group undertaking                  | 472,961                 | -                      | 308,032                 | -                      |
| Corporation tax                                    | -                       | 127,109                | -                       | 15,072                 |
| Other taxes and social security costs              | -                       | 267,187                | -                       | 257,602                |
| Director's accounts                                | -                       | 25,650                 | -                       | 49,718                 |
| Other creditors                                    | -                       | 29,992                 | -                       | 128,195                |
| Accruals and deferred income                       | 5,750                   | 2,602,957              | 8,188                   | 1,890,696              |
|                                                    | <u>478,711</u>          | <u>3,441,646</u>       | <u>316,220</u>          | <u>3,171,468</u>       |

The bank loan in the name of Care Visions Group Limited is secured by the properties owned by Orca House Limited and by guarantees in the names of Care Visions Holdings Limited and the director Mr M. J. Reid. The bank overdraft in the name of Care Visions Resourcing Limited is secured by the company's assets.

| 15. Creditors: amounts falling due after more than one year | Parent<br>31/10/11<br>£ | Group<br>31/10/11<br>£ | Parent<br>05/11/10<br>£ | Group<br>05/11/10<br>£ |
|-------------------------------------------------------------|-------------------------|------------------------|-------------------------|------------------------|
| Loan notes                                                  | 159,533                 | 159,533                | 300,000                 | 300,000                |
| Bank loan                                                   | -                       | -                      | -                       | 27,228                 |
|                                                             | <u>159,533</u>          | <u>159,533</u>         | <u>300,000</u>          | <u>327,228</u>         |

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**16. Group provisions for liabilities**

|                       | <b>Deferred<br/>taxation<br/>(Note 18)<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------|--------------------------------------------------|--------------------|
| At 6th November 2010  | 11,516                                           | 11,516             |
| Movements in the year | 4,142                                            | 4,142              |
| At 31st October 2011  | <u>15,658</u>                                    | <u>15,658</u>      |

**17. Group accruals and deferred income**

|                          | <b>31/10/11<br/>£</b> | <b>05/11/10<br/>£</b> |
|--------------------------|-----------------------|-----------------------|
| <b>Government grants</b> |                       |                       |
| Increase in period       | -                     | 11,166                |
| Released in period       | -                     | (11,166)              |
| At 31st October 2011     | <u>-</u>              | <u>-</u>              |

The group received a grant in the prior period, to assist with advertising costs of one of the subsidiaries, which was fully expended in that period.

**18. Group provision for deferred taxation**

|                                                | <b>31/10/11<br/>£</b> | <b>05/11/10<br/>£</b> |
|------------------------------------------------|-----------------------|-----------------------|
| Accelerated capital allowances                 | 15,658                | 11,516                |
| Provision for deferred tax                     | <u>15,658</u>         | <u>11,516</u>         |
| Provision at 6th November 2010                 | 11,516                |                       |
| Deferred tax charge in profit and loss account | 4,142                 |                       |
| Provision at 31st October 2011                 | <u>15,658</u>         |                       |

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| 19. Share capital                         | 31/10/11<br>£ | 05/11/10<br>£ |
|-------------------------------------------|---------------|---------------|
| <b>Allotted, called up and fully paid</b> |               |               |
| 1,957,000 Ordinary shares of £0.01 each   | <u>19,570</u> | <u>19,570</u> |
| <br><b>Equity Shares</b>                  |               |               |
| 1,957,000 Ordinary shares of £0.01 each   | <u>19,570</u> | <u>19,570</u> |

On 31st October 2011 two of the subsidiary companies issued preference shares at a value of £1 each to another of the subsidiaries, Care Visions Holdings Limited. Care Visions Resourcing Limited issued 200,000 preference shares and Carevisions@Home Limited issued 500,000 preference shares. The issuing company may redeem the preference shares at the purchase price of £1 per share at its sole discretion, on giving 7 days notice to the investor.

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| <b>20. Group Equity Reserves</b>                       | <b>Profit<br/>and loss<br/>account<br/>£</b>     | <b>Total<br/>£</b>     |
|--------------------------------------------------------|--------------------------------------------------|------------------------|
| <b>At 6th November 2010</b>                            | (105,418)                                        | (105,418)              |
| <b>Profit for the period</b>                           | 253,709                                          | 253,709                |
| <b>At 31st October 2011</b>                            | <u>148,291</u>                                   | <u>148,291</u>         |
| <b>Attributable to:-</b>                               |                                                  |                        |
| <b>Care Visions Limited shareholders</b>               | 96,618                                           | 96,618                 |
| <b>Minority interest shareholders</b>                  | <u>50,413</u>                                    | <u>50,413</u>          |
|                                                        | 147,031                                          | 147,031                |
| <b>Non-distributable reserves of guarantee company</b> | 1,260                                            | 1,260                  |
|                                                        | <u>148,291</u>                                   | <u>148,291</u>         |
| <br><b>Parent Company Equity Reserves</b>              | <br><b>Profit<br/>and loss<br/>account<br/>£</b> | <br><b>Total<br/>£</b> |
| <b>At 6th November 2010</b>                            | (8,188)                                          | (8,188)                |
| <b>Loss for the period</b>                             | (22,024)                                         | (22,024)               |
| <b>At 31st October 2011</b>                            | <u>(30,212)</u>                                  | <u>(30,212)</u>        |

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|                                                                 | Parent   | Care Visions Limited | Group Minority Interest | Guarantee Company |
|-----------------------------------------------------------------|----------|----------------------|-------------------------|-------------------|
| 21. Reconciliation of movements in shareholders'/members' funds | 31/10/11 | 31/10/11             | 31/10/11                | 31/10/11          |
|                                                                 | £        | £                    | £                       | £                 |
| <i>Period ended 5th November 2010</i>                           |          |                      |                         |                   |
| Profit /(loss) for the period                                   | (8,188)  | (11,226)             | (16,726)                | -                 |
| Surplus/(deficit) for the period                                | -        | -                    | -                       | 190,257           |
|                                                                 | (8,188)  | (11,226)             | (16,726)                | 190,257           |
| Net proceeds of equity share issue                              | 19,570   | 19,570               | -                       | -                 |
| Net addition to shareholders'/members' funds                    | 11,382   | 8,344                | (16,726)                | 190,257           |
| Opening shareholders'/members' funds                            | -        | -                    | (27,118)                | (240,605)         |
| Closing shareholders'/members' funds                            | 11,382   | 8,344                | (43,844)                | (50,348)          |
| <i>Period ended 31st October 2011</i>                           |          |                      |                         |                   |
| Profit /(loss) for the period                                   | (22,024) | 107,844              | 94,257                  | -                 |
| Surplus/(deficit) for the period                                | -        | -                    | -                       | 51,608            |
|                                                                 | (22,024) | 107,844              | 94,257                  | 51,608            |
| Opening shareholders'/members' funds                            | 11,382   | 8,344                | (43,844)                | (50,348)          |
| Closing shareholders'/members' funds                            | (10,642) | 116,188              | 50,413                  | 1,260             |

**22. Financial commitments**

At 31st October 2011 the group had annual commitments under non-cancellable operating leases as follows:

|                            | Land and buildings |          | Other    |          |
|----------------------------|--------------------|----------|----------|----------|
|                            | 31/10/11           | 05/11/10 | 31/10/11 | 05/11/10 |
|                            | £                  | £        | £        | £        |
| <b>Expiry date:</b>        |                    |          |          |          |
| Within one year            | 136,649            | 100,569  | 30,026   | 44,186   |
| Between one and five years | 234,051            | 324,892  | 140,438  | 98,133   |
| In over five years         | 24,747             | 24,744   | -        | -        |
|                            | 395,447            | 450,205  | 170,464  | 142,319  |

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**23. Related party transactions**

The director, Mr M J Reid, has loaned money to the group and £25,650 was owed to him at the period end. There are no fixed terms for repayment of outstanding amounts.

The director also holds loan notes, which were issued in the prior period. A balance of £300,000 was owed to the director at the start of the period and £140,467 was repaid to him during the period. Interest is payable in arrears on the loan notes at 5% half-yearly.

**24. Controlling interest**

The group is under the control of the director, Mr M J Reid.

**25. Gross cash flows**

|                                                        | 31/10/11<br>£    | 05/11/10<br>£      |
|--------------------------------------------------------|------------------|--------------------|
| <b>Returns on investments and servicing of finance</b> |                  |                    |
| Interest received                                      | -                | 36                 |
| Interest paid                                          | (79,706)         | (9,698)            |
|                                                        | <u>(79,706)</u>  | <u>(9,662)</u>     |
| <b>Taxation</b>                                        |                  |                    |
| Corporation tax paid                                   | (15,073)         | (65,836)           |
|                                                        | <u>(15,073)</u>  | <u>(65,836)</u>    |
| <b>Capital expenditure</b>                             |                  |                    |
| Payments to acquire intangible assets                  | -                | (1,190,744)        |
| Payments to acquire tangible assets                    | (149,789)        | (230,908)          |
| Receipts from sales of tangible assets                 | -                | 29,484             |
| Receipt of grant                                       | -                | 11,166             |
|                                                        | <u>(149,789)</u> | <u>(1,381,002)</u> |
| <b>Financing</b>                                       |                  |                    |
| Issue of ordinary share capital                        | -                | 19,570             |
| New debenture loan                                     | -                | 360,000            |
| New short term bank loan                               | 27,228           | 53,418             |
| Other new short term loans                             | 39,500           | -                  |
| Repayment of short term bank loan                      | (42,886)         | (51,181)           |
| Repayment of other short term loans                    | (17,500)         | (44,700)           |
|                                                        | <u>6,342</u>     | <u>337,107</u>     |

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**26. Analysis of changes in net funds**

|                          | <b>Opening<br/>balance</b> | <b>Cash<br/>flows</b> | <b>Other<br/>changes</b> | <b>Closing<br/>balance</b> |
|--------------------------|----------------------------|-----------------------|--------------------------|----------------------------|
|                          | <b>£</b>                   | <b>£</b>              | <b>£</b>                 | <b>£</b>                   |
| Cash at bank and in hand | 44,663                     | 536,873               |                          | 581,536                    |
| Overdrafts               | (413,334)                  | 413,334               |                          | -                          |
|                          | <u>(368,671)</u>           | <u>950,207</u>        |                          | <u>581,536</u>             |
| Debt due within one year | (57,123)                   | (6,342)               | -                        | (63,465)                   |
| Debt due after one year  | (327,228)                  | 27,228                | 140,467                  | (159,533)                  |
|                          | <u>(384,351)</u>           | <u>20,886</u>         | <u>140,467</u>           | <u>(222,998)</u>           |
| <b>Net funds</b>         | <u><u>(753,022)</u></u>    | <u><u>971,093</u></u> | <u><u>140,467</u></u>    | <u><u>358,538</u></u>      |