

Care Visions Limited

Registered number: SC367451

Directors' report and financial statements

For the year ended 31 October 2016

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CARE VISIONS LIMITED

COMPANY INFORMATION

Directors	M J Reid A Cameron R S J Wishart P Snell C W R Young (appointed 1 April 2017) C M Jamieson (appointed 11 April 2017) S E Wicks (appointed 1 June 2017)
Company secretary	R S J Wishart
Registered number	SC367451
Registered office	4th Floor 115 George Street Edinburgh EH2 4JN
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Apex 2 97 Haymarket Terrace Edinburgh EH12 5HD
Bankers	The Royal Bank of Scotland plc 36 St. Andrew Square Edinburgh EH2 2AD

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2016**

The directors present their Group Strategic Report on the performance of the business for the year ended 31 October 2016.

Care Visions Residential Services

Care Visions provides a residential service for "looked after" children across Scotland. Our accommodation ranges 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 the children and young people in our care. Our experienced workforce are fully trained in the New York based Sanctuary® therapeutic model for dealing with trauma for which we attained full accreditation in May 2014.

Placements in Care Visions Residential Services can be on a crisis basis, respite or on a more long term basis. Care Visions Residential Services consistently achieve high outcomes in inspection ratings carried out by the Care Inspectorate.

The number of placements and turnover in residential services continues to grow. Two new services opened during the year.

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 grow both placement numbers and number of carers through a policy of reinvestment in the businesses.

Care Visions Fostering currently operates from offices in Stirling and Lockerbie in the UK and also in the Republic of Ireland.

Care Visions at Home

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

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 year we continued our focus on the North East of England, closing the branch in Manchester and developing the Teeside branch further. This proved successful with the business making profit overall in the year. The development of the Teeside branch will further improve the results over the next year and help to ensure we remain a dominant provider in the area.

Other information

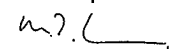
The decision by the directors to cease the activities of certain underperforming projects has enabled the group to refocus its efforts on profitable locations and the positive impact of this is reflected in the improved results for the 2016 financial year. Further positive impact of this will be reflected in the 2017 financial year.

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2016

Principal risks and uncertainties

The key risks and uncertainties facing the group 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 directors have 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.

This report was approved by the board on 13 July 2017 and signed on its behalf.



M J Reid
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 OCTOBER 2016**

The directors present their report and the financial statements for the year ended 31 October 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgments 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activities of the group as a whole during the year continued to be the provision of health care and social care services. The principal activity of the parent undertaking during the year was the overall management of the group.

Results and dividends

The profit for the year, after taxation and minority interests, amounted to £10,025 (2015 - loss £1,160,446).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

M J Reid
A Cameron
R S J Wishart
P Snell

A H F Jay served as a director until her resignation on 1 August 2016. Dr C W R Young, C M Jamieson and S E Wicks were appointed as directors subsequent to the year end on 1 April 2017, 11 April 2017 and 1 June 2017 respectively.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 OCTOBER 2016**

Future developments

The decision by the directors to cease the activities of certain underperforming projects has enabled the group to refocus its efforts on profitable locations and the positive impact of this is reflected in the improved results for the 2016 financial year. Further positive impact of this will be reflected in the 2017 financial year.

Matters covered in the Group Strategic Report

Principal risks and uncertainties relevant to the group are included within the Group Strategic Report along with a business review.

Employee involvement

Care Visions Limited acknowledges the importance of employees in delivering the group's business plan and ensures employees are provided with relevant information and involved in matters that are of concern to them. Care Visions treat all employees with dignity and respect and provide an environment for learning and working that is free from unlawful discrimination, harassment, bullying and victimisation. Care Visions is committed to an Equal Opportunities Policy and recognises the importance and value of diversity, equal opportunity and access for people with disabilities, and will do all that is practicable to meet this requirement. In compliance with applicable law, Care Visions does not exclude otherwise qualified persons with disabilities from participating in employment opportunities, programs or activities.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditor is aware of that information.

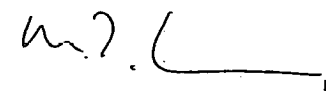
Post balance sheet events

There have been no significant events affecting the group since the year end.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13 JULY 2017 and signed on its behalf.



M J Reid
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARE VISIONS LIMITED

We have audited the financial statements of Care Visions Limited for the year ended 31 October 2016 which comprise the group Profit and Loss Account, the group and company Statement of Financial Positions, the group Consolidated Statement of Cash Flows 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 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. 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.

Scope of the audit of the financial statements

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

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 October 2016 and of the group's profit for the year 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.

Emphasis of matter - going concern basis

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2.3 to the financial statements concerning the group and company's ability to continue as a going concern. As at 31 October 2016 the group had net liabilities of £477,763 and net current liabilities of £1,971,968. These conditions, along with the other matters explained in note 2.3 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the group and company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group and company were unable to continue as a going concern.

Opinion on the other matter prescribed by the Companies Act 2006

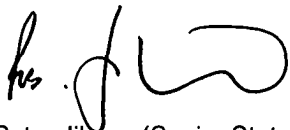
In our opinion the information given in the Group Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CARE VISIONS LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept 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.



Peter Jibson (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date:

18 July 2017

CARE VISIONS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2016

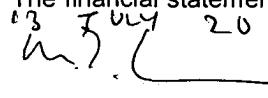
	Note	2016 £	2015 £
Turnover	4	23,555,118	22,573,741
Cost of sales		(14,936,242)	(14,214,008)
Gross profit		8,618,876	8,359,733
Administrative expenses		(8,045,012)	(8,157,190)
Exceptional administrative expenses	12	(163,775)	(1,070,185)
Operating profit/(loss)	5	410,089	(867,642)
Interest receivable and similar income	9	1,100	-
Interest payable and expenses	10	(167,085)	(122,978)
Profit/(loss) before taxation		244,104	(990,620)
Tax on profit/(loss)	11	(187,778)	(122,002)
Profit/(loss) for the year		56,326	(1,112,622)
Unrealised surplus on revaluation of tangible fixed assets	15	148,000	-
Foreign exchange translation differences		50,256	(12,599)
Other comprehensive income for the year		198,256	(12,599)
Deferred tax on revaluation of tangible fixed assets	22	(24,571)	-
Total comprehensive income for the year		230,011	(1,125,221)
Profit/(loss) for the year attributable to:			
Non-controlling interests		46,301	47,824
Owners of the parent company		10,025	(1,160,446)
		56,326	(1,112,622)
Total comprehensive income for the year attributable to:			
Non-controlling interests		46,301	47,824
Owners of the parent company		183,710	(1,173,045)
		230,011	(1,125,221)

The notes on pages 13 to 33 form part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible fixed assets	14	693,241	737,624
Tangible fixed assets	15	943,754	960,230
		<u>1,636,995</u>	<u>1,697,854</u>
Current assets			
Debtors: amounts falling due within one year	17	2,603,039	1,744,741
Cash at bank and in hand	18	67,029	213,441
		<u>2,670,068</u>	<u>1,958,182</u>
Creditors: amounts falling due within one year	19	(4,642,036)	(4,302,688)
Net current liabilities		<u>(1,971,968)</u>	<u>(2,344,506)</u>
Total assets less current liabilities		<u>(334,973)</u>	<u>(646,652)</u>
Creditors: amounts falling due after more than one year	20	(90,000)	-
Provisions for liabilities			
Deferred taxation	22	(52,790)	(61,122)
		<u>(52,790)</u>	<u>(61,122)</u>
Net liabilities		<u>(477,763)</u>	<u>(707,774)</u>
Capital and reserves			
Called up share capital	23	219,570	219,570
Revaluation reserve	24	148,000	-
Foreign exchange reserve	24	44,017	(6,239)
Profit and loss account	24	(1,214,007)	(1,199,461)
Equity attributable to owners of the parent company		<u>(802,420)</u>	<u>(986,130)</u>
Non-controlling interests		324,657	278,356
		<u>(477,763)</u>	<u>(707,774)</u>

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

13 July 2017


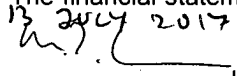
M J Reid
Director

The notes on pages 13 to 33 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 OCTOBER 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	16	2,627,863	2,308,341
Current assets			
Debtors: amounts falling due within one year	17	827,014	595,000
Cash at bank and in hand	18	239	4,023
		<u>827,253</u>	<u>599,023</u>
Creditors: amounts falling due within one year	19	<u>(3,221,789)</u>	<u>(2,749,948)</u>
Net current liabilities		<u>(2,394,536)</u>	<u>(2,150,925)</u>
Total assets less current liabilities		<u>233,327</u>	<u>157,416</u>
Creditors: amounts falling due after more than one year	20	<u>(90,000)</u>	<u>-</u>
Net assets		<u><u>143,327</u></u>	<u><u>157,416</u></u>
Capital and reserves			
Called up share capital	23	219,570	219,570
Profit and loss account	24	<u>(76,243)</u>	<u>(62,154)</u>
		<u><u>143,327</u></u>	<u><u>157,416</u></u>

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

13 24/11 2017


M J Reid
Director

The notes on pages 13 to 33 form part of these financial statements.

CARE VISIONS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2016

	Called up share capital	Revaluation reserve	Foreign exchange reserve	Profit and loss account	Equity attributable to owners of parent company	Non- controlling interests	Total equity
	£	£	£	£	£	£	£
At 1 November 2014	219,570	-	6,360	(39,015)	186,915	230,532	417,447
Loss for the year	-	-	-	(1,160,446)	(1,160,446)	47,824	(1,112,622)
Currency translation differences	-	-	(12,599)	-	(12,599)	-	(12,599)
At 1 November 2015	219,570	-	(6,239)	(1,199,461)	(986,130)	278,356	(707,774)
Profit for the year	-	-	-	10,025	10,025	46,301	56,326
Surplus on revaluation of property net of deferred tax	-	148,000	-	(24,571)	123,429	-	123,429
Currency translation differences	-	-	50,256	-	50,256	-	50,256
At 31 October 2016	219,570	148,000	44,017	(1,214,007)	(802,420)	324,657	(477,763)

CARE VISIONS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 November 2014	219,570	748,567	968,137
Loss for the year	-	(810,721)	(810,721)
At 1 November 2015	219,570	(62,154)	157,416
Loss for the year	-	(14,089)	(14,089)
At 31 October 2016	219,570	(76,243)	143,327

CARE VISIONS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 OCTOBER 2016**

	2016 £	2015 £
Cash flows from operating activities		
Loss for the financial year	56,326	(1,112,622)
Adjustments for:		
Amortisation of intangible assets	56,856	55,293
Depreciation of tangible assets	407,129	324,069
Currency translation differences	36,692	(6,757)
Interest paid	167,085	122,978
Interest received	(1,100)	-
Taxation charge	187,778	122,002
(Increase)/decrease in debtors	(930,994)	768,716
Increase in creditors	399,600	425,561
Corporation tax paid	(68,699)	(74,200)
Net cash generated from operating activities	<u>310,673</u>	<u>625,040</u>
Cash flows from investing activities		
Purchase of tangible fixed assets	(241,850)	(257,687)
Sale of tangible fixed assets	288	-
Interest received	1,100	-
Net cash from investing activities	<u>(240,462)</u>	<u>(257,687)</u>
Cash flows from financing activities		
Repayment of bank loan	(2,265)	(5,902)
Repayment of loan notes	(159,533)	-
Interest paid	(167,085)	(122,978)
Net cash used in financing activities	<u>(328,883)</u>	<u>(128,880)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(258,672)</u>	<u>238,473</u>
Cash and cash equivalents at beginning of year	132,145	(106,328)
Cash and cash equivalents at the end of year	<u><u>(126,527)</u></u>	<u><u>132,145</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	67,029	213,441
Bank overdraft	(193,556)	(81,296)
	<u><u>(126,527)</u></u>	<u><u>132,145</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

1. General information

Care Visions Limited is a private company, limited by shares, registered in Scotland. The company's registered number is SC367451 and its registered office is 4th Floor, 115 George Street, Edinburgh, EH2 4JN. The company and group's principal place of business is Bremner House, Castle Business Park, Stirling, FK9 4TF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 30. The date of transition to FRS 102 was 1 November 2014.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgment in applying the group's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 1 November 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

2. Accounting policies (continued)**2.3 Going concern**

At 31 October 2016, the group's total liabilities exceeded its total assets by £477,763 (2015 - £707,774).

As explained within the Group Strategic Report, the decision by the directors to cease the activities of certain underperforming projects has enabled the group to refocus its efforts on profitable locations and the positive impact of this is reflected in the improved results for the 2016 financial year. Further positive impact of this will be reflected in the 2017 financial year.

The directors have prepared financial projections to 31 October 2018 which show that the group will generate profit which will strengthen the group balance sheet and, in due course, return it to a solvent position. The group continues to rely on its bank overdraft facility, loans from directors and other third parties and invoice discounting facilities to support cash flow.

On the basis of the actions taken, the consequential cost savings and its financial projections, the directors are satisfied that the group is a going concern and will be able to meet its liabilities as they fall due for a period of at least one year from the date the group financial statements are signed.

If the group was unable to continue in operational existence for the foreseeable future adjustments would have to be made to amend the balance sheet values of assets to their recoverable amounts and to provide for future liabilities that might arise.

2.4 Turnover

Turnover represents the total invoiced value of sales made during the year in relation to the group's principal activities of the provision of health care and social care services. Income is recognised as the right to consideration is obtained through performance of contractual obligations and is included in the financial statements when the group 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.

2.5 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated Statement of Comprehensive Income over its useful economic life.

All intangible assets are considered to have a finite useful life. Goodwill is amortised to the Consolidated Statement of Comprehensive Income over its estimated economic life of 20 years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

2. Accounting policies (continued)**2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is provided on the following basis:

Heritable property	- Straight line over fifty years
Long leasehold property	- Straight line over the life of the lease
Fixtures, fittings and equipment	- 15% to 33% straight line
Computer equipment	- 20% and 33% straight line

Land is not depreciated.

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.

2.7 Revaluation of tangible fixed assets

The group's heritable property is carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Statement of Financial Position date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers. Revaluation gains and losses are recognised in the Consolidated Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.8 Valuation of investments

Investments in subsidiaries are held at directors' valuation having regard to the attributable underlying net assets at the balance sheet date and the future prospects of each subsidiary. Any surplus or deficit arising on the revaluation of fixed asset investments is recognised in profit or loss.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

2. Accounting policies (continued)**2.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

2.11 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

2. Accounting policies (continued)**2.13 Foreign currency translation****Functional and presentation currency**

The group's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.14 Operating leases: the group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

The group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard on 1 November 2014 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.15 Pensions

The group makes payments to a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

2. Accounting policies (continued)**2.16 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Statement of Financial Position date.

2.17 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.19 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the group but are presented separately due to their size or incidence.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

2. Accounting policies (continued)**2.20 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgments, estimates and assumptions about the carrying amount of the assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The directors have made key assumptions in the determination of the fair value of the company's investments in its subsidiaries having regard to the attributable underlying net assets at the balance sheet date and the future prospects of each subsidiary. The valuation of the subsidiaries at the reporting date is provided in note 16 of the financial statements.

The directors have made key assumptions in the determination of the fair value of the group's heritable property in respect of the state of the property market in the location where the property is situated and in respect of the range of reasonable fair value estimates of the asset. The valuation of the property at the reporting date is provided in note 15 of the financial statements.

The calculation of accruals contains an inherent level of subjectivity. The directors consider that the current level of accruals represents the best estimate of the likely exposure.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

4. Turnover

An analysis of turnover by class of business is as follows:

	2016 £	2015 £
Childcare services	19,128,246	18,368,766
Home care services	4,426,872	4,202,410
Interim management services	-	2,565
	<u>23,555,118</u>	<u>22,573,741</u>

Analysis of turnover by geography:

	2016 £	2015 £
United Kingdom	22,611,881	22,073,356
Rest of Europe	914,394	436,271
Rest of the world	28,843	64,114
	<u>23,555,118</u>	<u>22,573,741</u>

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2016 £	2015 £
Research and development charged as an expense	282,179	-
Depreciation of tangible fixed assets	407,129	324,069
Amortisation of intangible fixed assets	56,856	55,293
Operating lease rentals - motor vehicles	252,187	203,966
Operating lease rentals - land and buildings	431,947	404,645
	<u></u>	<u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

6. Auditor's remuneration

	2016 £	2015 £
Fees payable to the group's auditor for the audit of the company's financial statements	6,630	6,450
Fees payable to the group's auditor in respect of:		
The audit of the financial statements of subsidiaries of the company	29,427	30,224
Taxation compliance services	10,743	24,660
All other services	10,743	20,176
	50,913	75,060

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	12,742,148	12,265,711
Social security costs	1,006,373	1,007,536
Pension costs	111,597	113,989
	13,860,118	13,387,236

The average monthly number of employees, including the directors, during the year was as follows:

	2016 No.	2015 No.
Careworkers	522	489
Management	95	107
	617	596

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016****8. Directors' remuneration**

	2016 £	2015 £
Directors' emoluments	67,105	134,554
Group contributions to defined contribution pension schemes	180	180
	<u>67,285</u>	<u>134,734</u>

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

The directors of the company are considered to be key management.

9. Interest receivable

	2016 £	2015 £
Other interest receivable	<u>1,100</u>	<u>-</u>

10. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	32,871	13,802
Other loan interest payable	134,171	96,520
Other interest payable	43	12,656
	<u>167,085</u>	<u>122,978</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**
11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	203,163	140,344
Adjustments in respect of previous periods	17,518	(60,932)
Total current tax	<u>220,681</u>	<u>79,412</u>
Deferred tax		
Origination and reversal of timing differences	(32,903)	42,590
Total deferred tax	<u>(32,903)</u>	<u>42,590</u>
Taxation on profit on ordinary activities	<u>187,778</u>	<u>122,002</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit/(loss) on ordinary activities before tax	<u>244,104</u>	<u>(990,620)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	48,821	(198,124)
Effects of:		
Non-tax deductible amortisation of goodwill	11,192	11,099
Other non-tax deductible expenses	29,231	295,166
Fixed asset timing differences	18,229	57,747
Adjustments to tax charge in respect of prior periods	17,518	(60,932)
R&D tax credit leading to a decrease in the tax charge	(64,286)	-
Higher tax rate applicable for part of the year	-	2,264
Other timing differences	233	(10,032)
Unrelieved tax losses carried forward	126,840	24,814
Total tax charge for the year	<u>187,778</u>	<u>122,002</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

12. Exceptional items

	2016 £	2015 £
Abortive project development costs (note 27)	163,775	1,070,185

13. Parent company profit for the year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent company for the year was £14,089 (2015 - £810,721).

14. Intangible assets

Group

	Goodwill £
Cost	
At 1 November 2015	1,252,401
Foreign exchange movement	15,673
At 31 October 2016	1,268,074
Amortisation	
At 1 November 2015	514,777
Charge for the year	56,856
Foreign exchange movement	3,200
At 31 October 2016	574,833
Net book value	
At 31 October 2016	693,241
At 31 October 2015	737,624

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**
15. Tangible fixed assets
Group

	Heritable property £	Long leasehold property £	Fixture, fittings & equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 November 2015	160,000	1,276,187	681,353	384,198	2,501,738
Additions	-	161,635	74,515	5,700	241,850
Disposals	-	(393,424)	(501,182)	(246,023)	(1,140,629)
Revaluations	115,000	-	-	-	115,000
Exchange adjustments	-	-	-	2,154	2,154
At 31 October 2016	275,000	1,044,398	254,686	146,029	1,720,113
Depreciation					
At 1 November 2015	30,800	729,214	442,938	338,556	1,541,508
Charge for the period on owned assets	2,200	192,228	177,491	35,210	407,129
Disposals	-	(393,424)	(501,182)	(245,735)	(1,140,341)
On revalued assets	(33,000)	-	-	-	(33,000)
Exchange adjustments	-	-	-	1,064	1,064
At 31 October 2016	-	528,018	119,247	129,095	776,360
Net book value					
At 31 October 2016	275,000	516,380	135,439	16,934	943,753
At 31 October 2015	129,200	546,973	238,415	45,642	960,230

Included in land and buildings is land of £50,000 (2015 - £50,000) which is not depreciated.

In May 2017, J & E Shepherd, Chartered Surveyors, valued the group's property on an open market basis at £275,000. The directors consider that the valuation at this date closely approximates to the value of the property as at 31 October 2016.

If the property had not been included at valuation it would have been included under the historical cost convention at a depreciated net book value of £127,000.

During the year, the directors of Care Visions Group Limited reviewed and revised the depreciation method of certain items of fixtures, fittings and equipment. The items concerned are being depreciated on a straight line basis over 3 years as opposed to 6.7 years previously. The impact of this change in accounting estimate has been to increase the depreciation charge in the year to 31 October 2016 by £110,744.

CARE VISIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

16. Fixed asset investments**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Country of incorporation/registration	Class of shares	Holding	Description
Carevisions@Home Limited	Scotland	Ordinary	100 %	Care in the home
Care Visions Holdings Limited	Scotland	Ordinary	100 %	Holding company Provision of
Care Visions Group Limited	Scotland	Ordinary	88 %	childcare services
Orca House Limited	Scotland	Ordinary	88 %	Non trading
Carevisions Fostering Limited	Scotland	n/a	n/a	Provision of foster care
CV Fostering Limited	Republic of Ireland	n/a	n/a	Provision of foster care
Care Visions (Beijing) Home Services Company Limited	Republic of China	Ordinary	100%	Care in the home

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

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.

CV Fostering Limited is a company limited by guarantee and is classed as a subsidiary because Care Visions Limited is considered to be the controlling member of the company.

Care Visions (Beijing) Home Services Company Limited is a wholly foreign-owned enterprise established in the Republic of China.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016

16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 November 2015	2,308,341
Additions	84,522
Revaluations	235,000
At 31 October 2016	2,627,863
Net book value	
At 31 October 2016	2,627,863
At 31 October 2015	2,308,341

Details of the principal subsidiaries can be found above.

The directors valued the company's investment in subsidiary undertakings at 31 October 2016, having regard to the attributable net assets at that date and the future trading prospects of each subsidiary, resulting in a surplus on revaluations in the year of £235,000. The historical cost of investment in subsidiary undertakings is £413,121 (2015 - £328,599).

17. Debtors

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	2,343,478	1,157,826	-	-
Amounts owed by group undertakings (note 27)	-	-	827,014	595,000
Other debtors	36,884	36,273	-	-
Prepayments and accrued income	217,364	472,633	-	-
Corporation tax recoverable	5,313	78,009	-	-
	2,603,039	1,744,741	827,014	595,000

CARE VISIONS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016****18. Cash and cash equivalents**

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	67,029	213,441	239	4,023
Less: bank overdraft (note 19)	(193,556)	(81,296)	-	-
	<u>(126,527)</u>	<u>132,145</u>	<u>239</u>	<u>4,023</u>

19. Creditors: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Bank overdraft	193,556	81,296	-	-
Bank loan	-	2,265	-	-
Loan notes (note 27)	-	159,533	-	159,533
Trade creditors	392,890	510,901	-	-
Amounts owed to group undertakings (note 27)	-	-	2,927,962	2,285,269
Corporation tax payable	159,992	80,706	68,476	31,131
Other taxation and social security	273,887	266,052	15,181	7,500
Other creditors and loans (note 27)	1,654,976	1,057,215	155,363	205,559
Accruals and deferred income	1,966,735	2,144,720	54,807	60,956
	<u>4,642,036</u>	<u>4,302,688</u>	<u>3,221,789</u>	<u>2,749,948</u>

The bank overdraft of £193,556 (2015 - £81,296) is secured by a bond and floating charge over the assets of Care Visions Group Limited. The group's bankers also hold an unlimited inter company guarantee between Orca House Limited and Care Visions Group Limited along with a standard security over the property owned by Orca House Limited and a bond and floating charge over its remaining assets.

The bank loan of £2,265, which was fully repaid in the year, was unsecured and repayable on demand. Interest of 6.5% per annum was charged on the outstanding balance.

The loan notes, which were redeemed during the year, were unsecured and repayable on demand.

Other creditors include £771,013 (2015 - £395,054) of amounts due to RBS Invoice Finance Limited in respect of an invoice discounting facilities. M J Reid, a director, has guaranteed these facilities up to the sum of £120,000. RBS Invoice Finance Limited holds a floating charge over the assets of the companies concerned. An unlimited multi-party guarantee between the companies is also in place.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

20. Creditors: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Other creditors and loans	90,000	-	90,000	-

21. Financial instruments

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Financial assets				
Financial assets representing cash at bank and in hand	67,029	213,441	239	4,023
Financial assets representing debtors	2,380,362	1,194,099	827,014	595,000
	<u>2,447,391</u>	<u>1,407,540</u>	<u>827,253</u>	<u>599,023</u>
Financial liabilities				
Financial liabilities representing creditors	(2,241,422)	(1,568,116)	(3,083,325)	(2,490,828)

Financial assets representing debtors comprise trade debtors and other debtors for the group and, in respect of the company, amounts owed by group undertakings.

Financial liabilities representing creditors comprise bank overdraft, trade creditors and other creditors for the group and, in respect of the company, amounts owed to group undertakings and other creditors.

22. Deferred taxation

Group

	2016 £	2015 £
At beginning of year	(61,122)	(18,532)
Movement in the year	32,903	(42,590)
Charged to other comprehensive income	(24,571)	-
At end of year	<u>(52,790)</u>	<u>(61,122)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

22. Deferred taxation (continued)

The provision for deferred taxation, which is calculated based on a tax rate of 17% (2015 - 20%), is made up as follows:

	Group 2016 £	Group 2015 £
Fixed asset timing differences	(42,498)	(63,159)
Tax losses carried forward	-	2,037
Fair value gain on revaluation of property	(24,571)	-
Other timing differences	14,279	-
	<u>(52,790)</u>	<u>(61,122)</u>

The group also has a deferred tax asset, primarily in relation to trading losses, of approximately £55,000 (2015 - £58,000), based on tax rates of 17% and 12.5% (2015 - 20% and 12.5%). The deferred tax asset has not been recognised in the financial statements as there is uncertainty regarding its immediate recoverability in the relevant companies.

23. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,957,000 Ordinary shares of £0.01 each	19,570	19,570
200,000 Preference shares of £1 each	200,000	200,000
	<u>219,570</u>	<u>219,570</u>

The Preference shares are redeemable at the option of the company and have no voting rights. They attract a non-cumulative, discretionary dividend at 10% subject to distributable profits exceeding dividend and directors' approval. The holder of the Preference shares has the right to repayment of capital ahead of the holders of the Ordinary shares.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

24. Reserves

Revaluation reserve

This reserve records the revaluation surplus arising in the year on the group's land and buildings as disclosed in note 15 of the financial statements.

Foreign exchange reserve

This reserve records any foreign exchange gain or losses arising on consolidation.

Profit & loss account

This reserve records retained earnings and accumulated losses.

For Care Visions Limited, this reserve also includes the fair value surplus on the valuation of investments in subsidiaries of £2,214,742 (2015 - £1,979,742), which is eliminated on consolidation.

25. Pension commitments

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 £111,597 (2015 - £113,989). Contributions totalling £17,944 (2015 - £23,103) were payable to the fund at the balance sheet date and are included in creditors.

26. Commitments under operating leases

At 31 October 2016 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Not later than 1 year	518,945	558,378
Later than 1 year and not later than 5 years	1,236,127	1,481,784
Later than 5 years	444,518	645,256
Land and buildings	2,199,590	2,685,418
	Group 2016 £	Group 2015 £
Not later than 1 year	194,003	70,230
Later than 1 year and not later than 5 years	241,075	20,461
Other	435,078	90,691

CARE VISIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

27. Related party transactions**COMPANY**

At the year end, the company was due £1,768,740 (2015 - £1,609,151) to Care Visions Group Limited, a subsidiary in which it has an 88% shareholding. During the year, Care Visions Limited recharged Care Visions Group Limited for central expenses incurred of £675,000 (2015 - £650,000).

At the year end, the company was due £nil (2015 - £595,000) from Carevisions Fostering Limited, a subsidiary undertaking of Care Visions Group Limited. During the year, Care Visions Limited recharged Carevisions Fostering Limited for central expenses incurred of £655,000 (2015 - £595,000).

Advantage has been taken of the exemption granted by FRS 102 not to report details of the transactions with wholly owned subsidiary undertakings of the company.

COMPANY AND GROUP

At the year end, Care Visions Asia Limited, a company owned by M J Reid, owed Care Visions Limited £150,000 (2015 - £150,000), which has been fully provided as at 31 October 2015 and 2016. At the year end, Care Visions Singapore Pte Ltd, a subsidiary of Care Visions Asia Limited, owed Care Visions Limited £1,083,960 (2015 - £920,185), which has been fully provided as at 31 October 2015 and 2016. The total provision charge, relating to abortive project development costs, amounts to £163,775 (2015 - £1,070,185), as disclosed within note 12 of the financial statements.

At the year end, M J Reid, a director, was due £30,364 (2015 - £5,559) from Care Visions Limited. The loan is unsecured and interest free and there are no fixed terms for repayment. M J Reid also held loan notes amounting to £159,533 which were redeemed during the year.

During the prior year, L Cameron, wife of A Cameron, a director of Care Visions Limited, and R S J Wishart, also a director of Care Visions Limited, provided loans to the company of £50,000 each. The loans were repaid in full in the current year.

During the prior year, J Paul, a shareholder of Care Visions Limited, provided a loan to Care Visions Group Limited of £200,000. The loan, which was repayable by 31 May 2015, is unsecured and is included within other creditors and loans due within one year in the financial statements. Although the loan is interest free, an arrangement fee of £20,000 is payable to the lender at the end of the loan term.

28. Post balance sheet events

There have been no significant events affecting the group since the year end.

29. Controlling party

In the opinion of the directors, M J Reid is the group's ultimate controlling party by virtue of his majority shareholding in Care Visions Limited.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016**

30. First time adoption of FRS 102

The group and company transitioned to FRS 102 from previously extant UK GAAP as at 1 November 2014. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 November 2014

	Group £	Company £
Equity at 1 November 2014 under previous UK GAAP	417,447	968,137
Equity shareholders funds at 1 November 2014 under FRS 102	<u>417,447</u>	<u>968,137</u>

Reconciliation of equity at 31 October 2015

	Group £	Company £
Equity at 31 October 2015 under previous UK GAAP	(707,774)	157,416
Equity shareholders funds at 31 October 2015 under FRS 102	<u>(707,774)</u>	<u>157,416</u>

Reconciliation of profit and loss account for the year ended 31 October 2015

	Group £	Company £
Loss for the year under previous UK GAAP	(1,160,446)	(1,330,721)
Change in fair value of investments	-	520,000
Loss for the year ended 31 October 2015 under FRS 102	<u>(1,160,446)</u>	<u>(810,721)</u>

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 The company has chosen to measure its investment in subsidiaries at fair value through profit and loss.