Company Registration No 04903455 (England and Wales)

OPTIMA CARE LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2012



OPTIMA CARE LIMITED

DIRECTORS AND ADVISERS

Directors	Sydney Coombes Edward Coombes Vadivambikai Coombes
Secretary	Haley Coombes
Company number	04903455
Registered office	69/85 Tabernacle Street London EC2A 4RR
Registered auditors	The Gallagher Partnership LLP 69/85 Tabernacle Street London EC2A 4RR
Business address	Thorncroft Manor Thorncroft Drive Leatherhead Surrey KT22 8JB

OPTIMA CARE LIMITED

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OPTIMA CARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 29 FEBRUARY 2012

The directors present their report and financial statements for the year ended 29 February 2012

Principal activities and review of the business

The company's principle activity during the year continues to be that of a provider of Specialist Healthcare for Mental Health and Learning Disabilities The 2012 Year accounts represent the true reflection of our 'usual' business trading for a given financial year

The Board completed its planned acquisition of the legal entity for Family Care Homes Limited (FCH), a South East based specialist Independent Service Provider for people with Learning Disabilities The acquisition enables Optima Care to continue to develop the Learning Disability service stream and add operational strength to the South East This expanding capability further supports meeting the needs of Commissioning for Local Authority and Primary Care Trust (and pending Clinical Commissioning Group)

The Board's focus during the subsequent period is to integrate and consolidate the FCH operations During this period of integration, the team will focus on maintaining care quality, and continue to develop the enlarged group in line with Optima Care's core values

The organisation continues to meet its financial and statutory obligations, this is achieved through strong financial controls, specifically around cashflow and working capital This becomes more prevalent over the coming years as Health and Social Care look to reduce their budgets under central government austerity measures, forcing fee pressures by funders The Board will continue to ensure quality of care is maintained as a primary objective during this period

Outlook for the next period is to complete the integration plans and focus on provisioning requirements driven by local need in both North West and South East regions

Description of principal risks and uncertainties

The financial risks of the company and group include credit risk, liquidity risk and interest rate risk The directors monitor these risks to mitigate the company's exposure to these risks The directors carry out the appropriate steps to exposure to credit risks The directors actively monitor the available bank and cash resources held by the company and believe that it has an appropriate amount of loan finance to mitigate liquidity risks The directors are satisfied that the current level of interest cover is sufficient and that the benefits of mitigating interest rate risk are outweighed by the costs

The most fundamental risks faced by the company are
- failure to comply with regulation, possibly leading in extreme cases to the revocation of a care home's registration,
- failure to achieve quality standards, possibly leading to the suspension of admissions to the homes,
- budgeted occupancy levels not being achieved with negative effect on profits,
- average weekly fees do not rise, at least in line with costs, putting profit margins under pressure, and
- failure to retain and motivate nursing and other qualified staff, adversely impacting admissions

Analysis based on key performance indicators

	2012	2011
	£	£
Turnover	9,800,587	6,227,549
Gross profit margin	38 43%	39 30%
EBITDA	1,855,197	1,130,800
Profit/(loss) before tax	518,899	813,077
Shareholders' funds	5,741,236	5,707,348

OPTIMA CARE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2012

Results and dividends
The consolidated profit and loss account for the year is set out on page 6

An interim ordinary dividend was paid amounting to £230,478 The directors do not recommend payment of a final dividend

It is proposed that the retained profit of £33,888 is transferred to the group's reserves

Directors
The following directors have held office since 1 March 2011

Sydney Coombes
Edward Coombes
Vadivambikai Coombes

Charitable donations

	2012 £	2011 £
During the year the group made the following payments		
Charitable donations	428	2,590

Employee involvement
The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the group's performance

Disabled persons
The group's policy is to recruit disabled workers for those vacancies that they are able to fill All necessary assistance with initial training courses is given Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities

Auditors
The auditors, The Gallagher Partnership LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006

OPTIMA CARE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2012

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the 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 and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- 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

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the group's auditors are unaware Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information

On behalf of the board

E M Coombes
Director
15 February 2013

OPTIMA CARE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OPTIMA CARE LIMITED

We have audited the group and parent company financial statements (the "financial statements") of Optima Care Limited for the year ended 29 February 2012 set out on pages 6 to 26 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 directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on pages 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 Annual Report to identify material inconsistencies with the audited financial statements If we become aware of any apparent material misstatements or inconsistencies we consider the implications for 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 parent company's affairs as at 29 February 2012 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

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 AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF OPTIMA CARE 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

Andrew Jepson (Senior Statutory Auditor)
for and on behalf of The Gallagher Partnership LLP

18/2/13

Chartered Accountants
Statutory Auditors

69/85 Tabernacle Street
London
EC2A 4RR

OPTIMA CARE LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 29 FEBRUARY 2012

	Notes	2012 £	2011 £
Turnover	2	9,800,587	6,227,549
Cost of sales		(6,034,159)	(3,780,356)
Gross profit		3,766,428	2,447,193
Administrative expenses		(2,604,271)	(1,489,381)
Operating profit	3	1,162,157	957,812
Other interest receivable and similar income		766	183
Interest payable and similar charges	4	(644,024)	(144,918)
Profit on ordinary activities before taxation		518,899	813,077
Tax on profit on ordinary activities	5	(254,533)	(204,767)
Profit on ordinary activities after taxation		264,366	608,310

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

Note of historical cost profits and losses

	2012 £	2011 £
Reported profit on ordinary activities before taxation	518,899	813,077
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	110,741	108,823
Historical cost profit on ordinary activities before taxation	629,640	921,900
Historical cost profit for the year retained after taxation, extraordinary items and dividends	144,629	541,133

OPTIMA CARE LIMITED

BALANCE SHEETS

AS AT 29 FEBRUARY 2012

	Notes	Group 2012 £	Group 2011 £	Company 2012 £	Company 2011 £
Fixed assets					
Intangible assets	8	6,009,868	747,246	692,746	747,246
Tangible assets	9	17,232,489	9,982,481	11,619,537	9,982,481
Investments	10	-	-	4,988,207	-
		23,242,357	10,729,727	17,300,490	10,729,727
Current assets					
Debtors	11	1,785,354	726,477	7,645,565	726,477
Cash at bank and in hand		1,348,087	536,399	637,422	536,399
		3,133,441	1,262,876	8,282,987	1,262,876
Creditors amounts falling due within one year	12	(2,347,492)	(1,893,503)	(1,232,786)	(1,893,503)
Net current assets/(liabilities)		785,949	(630,627)	7,050,201	(630,627)
Total assets less current liabilities		24,028,306	10,099,100	24,350,691	10,099,100
Creditors amounts falling due after more than one year	13	(18,267,600)	(4,344,990)	(18,267,600)	(4,344,990)
Provisions for liabilities	14	(19,470)	(46,762)	(42,220)	(46,762)
		5,741,236	5,707,348	6,040,871	5,707,348
Capital and reserves					
Called up share capital	15	5,000	5,000	5,000	5,000
Revaluation reserve	16	5,430,613	5,430,613	5,430,613	5,430,613
Profit and loss account	16	305,623	271,735	605,258	271,735
Shareholders' funds	17	5,741,236	5,707,348	6,040,871	5,707,348

Approved by the Board and authorised for issue on 15 February 2013

Edward Coombes
Director

Company Registration No 04903455

OPTIMA CARE LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 29 FEBRUARY 2012

	£	2012 £	£	2011 £
Net cash inflow from operating activities		(4,517,578)		1,379,238
Returns on investments and servicing of finance				
Interest received	766		183	
Interest paid	(642,029)		(144,918)	
Interest element of finance lease rentals	(1,995)		-	
Net cash outflow for returns on investments and servicing of finance		(643,258)		(144,735)
Taxation		(49,029)		(54,851)
Capital expenditure				
Payments to acquire intangible assets	(4,793,600)		-	
Payments to acquire tangible assets	(2,216,708)		(1,221,959)	
Net cash outflow for capital expenditure		(7,010,308)		(1,221,959)
Equity dividends paid		(230,478)		(176,000)
Net cash outflow before management of liquid resources and financing		(12,450,651)		(218,307)
Financing				
New long term bank loan	18,680,000		757,485	
Repayment of long term bank loan	(5,483,161)		(277,070)	
Capital element of finance lease contracts	65,500		-	
Net cash inflow from financing		13,262,339		480,415
Increase in cash in the year		811,688		262,108

OPTIMA CARE LIMITED

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 29 FEBRUARY 2012

1 Reconciliation of operating profit to net cash (outflow)/inflow from operating activities

	2012	2011
	£	£
Operating profit	1,162,157	957,812
Depreciation of tangible assets	448,353	263,223
Amortisation of intangible assets	244,687	54,500
(Increase)/decrease in debtors	(1,028,137)	(113,082)
Increase/(decrease) in creditors within one year	850,724	216,785
Acquisition	(6,195,362)	-
Net cash (outflow)/inflow from operating activities	(4,517,578)	1,379,238

2 Analysis of net debt

	1 March 2011	Cash flow	Other non-cash changes	29 February 2012
	£	£	£	£
Net cash				
Cash at bank and in hand	536,399	811,688	-	1,348,087
	536,399	811,688	-	1,348,087
Finance leases	-	6,500	(72,000)	(65,500)
Debts falling due within one year	(983,271)	673,271	-	(310,000)
Debts falling due after one year	(4,344,990)	(13,870,110)	-	(18,215,100)
	(5,328,261)	(13,190,339)	(72,000)	(18,590,600)
Net debt	(4,791,862)	(12,378,651)	(72,000)	(17,242,513)

3 Reconciliation of net cash flow to movement in net debt

	2012	2011
	£	£
Increase/(decrease) in cash in the year	811,688	262,108
Cash (inflow)/outflow from (increase)/decrease in debt and lease financing	(13,190,339)	(480,415)
Change in net debt resulting from cash flows	(12,378,651)	(218,307)
New finance lease	(72,000)	-
Movement in net debt in the year	(12,450,651)	(218,307)
Opening net debt	(4,791,862)	(4,573,555)
Closing net debt	(17,242,513)	(4,791,862)

OPTIMA CARE LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 FEBRUARY 2012

1 Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below

1 1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings

1 2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1 3 Basis of consolidation

The consolidated profit and loss account and balance sheet include the financial statements of the company and its subsidiary undertakings made up to 29 February 2012 The results of subsidiaries sold or acquired are included in the profit and loss account up to, or from the date control passes Intra-group sales and profits are eliminated fully on consolidation The accounts include the results of Family Care Homes Limited for the 8 month period ending 29 February 2012

1 4 Turnover

Turnover represents amounts receivable for the provision of care and accommodation Where the amount received relates to a period which covers the balance sheet date it is apportioned over the period to which it relates

1 5 Goodwill

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

1 6 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	over 50 years on a straight line basis
Plant and machinery	over 4 years on a straight line basis
Fixtures, fittings & equipment	over 4 years on a straight line basis
Motor vehicles	33% per annum on a reducing balance basis

1 7 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives Obligations under such agreements are included in creditors net of the finance charge allocated to future periods The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

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

1 8 Investments

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

1 Accounting policies **(continued)**

1 9 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes The deferred tax balance has not been discounted

1 10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction All differences are taken to profit and loss account

1 11 Going concern

After making enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future For this reason, they continue to adopt the going concern basis in preparing the financial statements

2 Turnover

The total turnover of the group for the year has been derived from its principal activity wholly undertaken in the United Kingdom

3 Operating profit	**2012**	**2011**
	£	**£**
Operating profit is stated after charging		
Amortisation of intangible assets	244,687	54,500
Depreciation of tangible assets	448,353	263,223
Loss on disposal of tangible assets	-	314
Operating lease rentals		
- Plant and machinery	22,458	18,524
and after crediting		
Profit on disposal of tangible assets	-	(314)

Auditors' remuneration

Fees payable to the group's auditor for the audit of the group's annual accounts (company £20,000, 2011 £13,000)	32,750	13,000
Taxation compliance services	6,040	4,300
Non-audit services	73,800	11,037
	112,590	28,337

4	Interest payable	2012	2011
		£	£
	On bank loans and overdrafts	106	7,019
	On other loans wholly repayable within five years	641,584	-
	On loans repayable after five years	-	137,899
	Lease finance charges and hire purchase interest	2,334	-
		644,024	144,918

5	Taxation	2012	2011
		£	£
	Domestic current year tax		
	U K corporation tax	265,754	193,032
	Adjustment for prior years	1,671	(10,935)
	Total current tax	267,425	182,097
	Deferred tax		
	Deferred tax charge/credit current year	(12,892)	22,670
		254,533	204,767
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	518,899	813,077
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 26 00% (2011 - 28 00%)	134,914	227,662
	Effects of		
	Non deductible expenses	43,710	5,207
	Depreciation add back	166,021	73,702
	Capital allowances	(75,946)	(76,147)
	Tax losses utilised	-	(24,041)
	Adjustments to previous periods	1,671	(10,935)
	Marginal relief	(3,793)	(13,351)
	Other tax adjustments	848	-
		132,511	(45,565)
	Current tax charge for the year	267,425	182,097

6 Profit for the financial year

As permitted by section 408 Companies Act 2006, the holding company's profit and loss account has not been included in these financial statements The profit for the financial year is made up as follows

	2012	2011
	£	£
Holding company's profit for the financial year	564,001	608,310

7 Dividends

	2012	2011
	£	£
Ordinary interim paid	230,478	176,000

8 **Intangible fixed assets**

Group

	Goodwill £
Cost	
At 1 March 2011	1,090,000
Acquisition	942,612
Additions	4,793,600
At 29 February 2012	6,826,212
Amortisation	
At 1 March 2011	342,754
Acquisition	228,903
Charge for the year	244,687
At 29 February 2012	816,344
Net book value	
At 29 February 2012	6,009,868
At 28 February 2011	747,246

Intangible fixed assets (continued)

Company

	Goodwill £
Cost	
At 1 March 2011 & at 29 February 2012	1,090,000
Amortisation	
At 1 March 2011	342,754
Charge for the year	54,500
At 29 February 2012	397,254
Net book value	
At 29 February 2012	692,746
At 28 February 2011	747,246

9 Tangible fixed assets

Group

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 March 2011	10,346,185	311,032	437,213	3,900	11,098,330
Acquisition	5,709,424	175,451	264,294	305,245	6,454,414
Additions	1,953,153	24,935	153,630	84,990	2,216,708
Disposals	-	-	(7,574)	-	(7,574)
At 29 February 2012	18,008,762	511,418	847,563	394,135	19,761,878
Depreciation					
At 1 March 2011	691,317	138,432	284,231	1,869	1,115,849
Acquisition	301,714	106,778	259,994	304,275	972,761
On disposals	-	-	(7,574)	-	(7,574)
Charge for the year	298,786	53,927	81,493	14,147	448,353
At 29 February 2012	1,291,817	299,137	618,144	320,291	2,529,389
Net book value					
At 29 February 2012	16,716,945	212,281	229,419	73,844	17,232,489
At 28 February 2011	9,654,868	172,600	152,982	2,031	9,982,481

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 29 February 2012	-	-	67,770	67,770
Depreciation charge for the year				
29 February 2012	-	-	12,220	12,220

Tangible fixed assets

Company

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 March 2011	10,346,185	311,032	437,213	3,900	11,098,330
Additions	1,751,153	17,384	135,964	79,990	1,984,491
Disposals	-	-	(7,574)	-	(7,574)
At 29 February 2012	12,097,338	328,416	565,603	83,890	13,075,247
Depreciation					
At 1 March 2011	691,317	138,432	284,231	1,869	1,115,849
On disposals	-	-	(7,574)	-	(7,574)
Charge for the year	215,762	43,400	75,200	13,073	347,435
At 29 February 2012	907,079	181,832	351,857	14,942	1,455,710
Net book value					
At 29 February 2012	11,190,259	146,584	213,746	68,948	11,619,537
At 28 February 2011	9,654,868	172,600	152,982	2,031	9,982,481

The freehold interest of the properties were re-valued by the directors' during 2010 after taking account of professional advice and valuations received from Knight Frank LLP Chartered Surveyors The revaluations were based on the market value of the freehold interests being fully equipped and operational as care homes with the benefit of planning permission and with due regard to trading potential In addition a further revaluation was undertaken by Knight Frank LLP in June 2011

At the date of approving these financial statements the directors' after taking into account current market conditions and the recent professional valuations are of the opinion no permanent diminution in the values has occurred

If these properties were sold for their revalued amounts it would be necessary to replace them with similar property and rollover relief against tax on the gain would be available Accordingly no timing differences arise and no provision has been made for deferred tax in respect of the revaluation

Included above are assets held under finance leases or hire purchase contracts as follows

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
Net book values				
At 29 February 2012	-	-	67,770	67,770
Depreciation charge for the year				
29 February 2012	-	-	12,220	12,220

10 Fixed asset investments

Company

	Shares in group undertakings £
Cost or valuation	
At 1 March 2011	-
Additions	4,988,207
At 29 February 2012	4,988,207
Net book value	
At 29 February 2012	4,988,207
At 28 February 2011	-

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Family Care Homes (Holdings) Limited	England and Wales	Ordinary	100
Family Care Homes Limited*	England and Wales	Ordinary	100

The principal activity of these undertakings for the last relevant financial year was as follows

	Principal activity
Family Care Homes (Holdings) Limited	Holding company
Family Care Homes Limited*	Provision of care and accommodation to adults with learning disabilities living in the community

*Interest held through Family Care Homes (Holdings) Limited

11 Debtors

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Trade debtors	853,227	220,018	285,850	220,018
Amounts owed by group undertakings	-	-	6,491,750	-
Corporation tax	85,209	54,469	85,209	54,469
Other debtors	564,344	386,313	508,808	386,313
Prepayments and accrued income	282,574	65,677	273,948	65,677
	1,785,354	726,477	7,645,565	726,477

Amounts falling due after more than one year and included in the debtors above are

	2012	2011	2012	2011
	£	£	£	£
Amounts owed by group undertakings	-	-	6,491,750	-
Prepayments	170,356	-	170,356	-

12 Creditors amounts falling due within one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans and overdrafts	310,000	983,271	310,000	983,271
Net obligations under finance lease and hire purchase contracts	13,000	-	13,000	-
Trade creditors	175,162	114,629	69,815	114,629
Corporation tax	456,568	193,032	176,355	193,032
Other taxes and social security costs	219,817	138,170	122,108	138,170
Directors current accounts	160,112	154,765	160,112	154,765
Other creditors	115,240	56,655	115,240	56,655
Accruals and deferred income	897,593	252,981	266,156	252,981
	2,347,492	1,893,503	1,232,786	1,893,503

13 Creditors amounts falling due after more than one year

	Group		Company	
	2012	2011	2012	2011
	£	£	£	£
Bank loans	18,215,100	4,344,990	18,215,100	4,344,990
Net obligations under finance leases and hire purchase agreements	52,500	-	52,500	-
	18,267,600	4,344,990	18,267,600	4,344,990
Analysis of loans				
Not wholly repayable within five years by instalments	16,975,100	3,399,282	16,975,100	3,399,282
Wholly repayable within five years	1,550,000	1,928,979	1,550,000	1,928,979
	18,525,100	5,328,261	18,525,100	5,328,261
Included in current liabilities	(310,000)	(983,271)	(310,000)	(983,271)
	18,215,100	4,344,990	18,215,100	4,344,990
Instalments not due within five years	-	-	-	-
Loan maturity analysis				
In more than one year but not more than two years	310,000	230,139	310,000	230,139
In more than two years but not more than five years	930,000	715,569	930,000	715,569
In more than five years	16,975,100	3,399,282	16,975,100	3,399,282
Net obligations under finance leases and hire purchase contracts				
Repayable within one year	15,441	-	15,441	-
Repayable between one and five years	58,603	-	58,603	-
	74,044	-	74,044	-
Finance charges and interest allocated to future accounting periods	(8,544)	-	(8,544)	-
	65,500	-	65,500	-
Included in liabilities falling due within one year	(13,000)	-	(13,000)	-
	52,500	-	52,500	-

13 Creditors amounts falling due after more than one year (continued)

The loan facilities from Santander UK Plc, the company's bankers, are secured by a debenture over all the assets of the company, first and legal charges over the freehold properties and personal guarantees by the directors

The loan facilities are being repaid in instalments and are due to be repaid in full at the termination date of 17 June 2016

The current interest rate for the loan facilities is 2 25% over the LIBOR rate

14 Provisions for liabilities

Group

	Deferred taxation £
Balance at 1 March 2011	46,762
Profit and loss account	(12,892)
Acquisition	(14,400)
Balance at 29 February 2012	19,470

Company

Balance at 1 March 2011	46,762
Profit and loss account	(4,542)
Balance at 29 February 2012	42,220

The deferred tax liability is made up as follows

	Group		Company	
	2012 £	2011 £	2012 £	2011 £
Accelerated capital allowances	19,470	46,762	42,220	46,762

15 Share capital

	2012 £	2011 £
Allotted, called up and fully paid		
500,000 Ordinary shares of 1p each	5,000	5,000

16 **Statement of movements on reserves**

Group

	Revaluation reserve £	Profit and loss account £
Balance at 1 March 2011	5,430,613	271,735
Profit for the year	-	264,366
Dividends paid	-	(230,478)
Balance at 29 February 2012	5,430,613	305,623

Company

	Revaluation reserve £	Profit and loss account £
Balance at 1 March 2011	5,430,613	271,735
Profit for the year	-	564,001
Dividends paid	-	(230,478)
Balance at 29 February 2012	5,430,613	605,258

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 29 FEBRUARY 2012

17	**Reconciliation of movements in shareholders' funds**	**2012**	**2011**
	Group	**£**	**£**
	Profit for the financial year	264,366	608,310
	Dividends	(230,478)	(176,000)
	Net addition to shareholders' funds	33,888	432,310
	Opening shareholders' funds	5,707,348	5,275,038
	Closing shareholders' funds	5,741,236	5,707,348

		2012	**2011**
	Company	**£**	**£**
	Profit for the financial year	564,001	608,310
	Dividends	(230,478)	(176,000)
	Net addition to shareholders' funds	333,523	432,310
	Opening shareholders' funds	5,707,348	5,275,038
	Closing shareholders' funds	6,040,871	5,707,348

18 Financial commitments

At 29 February 2012 the group had annual commitments under non-cancellable operating leases as follows

	Other 2012 £	2011 £
Expiry date		
Within one year	-	259
Between two and five years	5,507	20,196
In over five years	-	778
	5,507	21,233

At 29 February 2012 the company had annual commitments under non-cancellable operating leases as follows

	Other 2012 £	2011 £
Expiry date		
Between two and five years	5,507	17,412
In over five years	-	778
	5,507	18,190

19 Directors' remuneration	**2012 £**	**2011 £**
Remuneration for qualifying services	30,000	60,000

20 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2012 Number	2011 Number
Care workers	369	203
Management and administration	15	10
	384	213

Employment costs	2012 £	2011 £
Wages and salaries	5,047,631	3,092,419
Social security costs	394,102	245,531
	5,441,733	3,337,950

21 Control

The group is controlled by the Coombes family who between them own 100% of the share capital No one member of the family has a majority shareholding

22 Related party relationships and transactions

Loans to directors

Loans and advances to directors during the year are outlined in the table below

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
S Coombes						
Advances	-	330,142	-	-	-	330,142
E M Coombes						
Advances	-	56,172	-	-	-	56,172
		386,314	-	-	-	386,314

Loan from director

At the balance sheet date the company owed V Coombes, a director, £160,112 for advances made to the company

Dividends to Directors

The following directors were paid dividends during the year as outlined in the table below

	2012 £	2011 £
Sydney Coombes	76,826	44,000
Edward Coombes	76,826	44,000
Vadivambikai Coombes	76,826	88,000
	230,478	176,000

Group

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking