

**Springs Community Limited**

**Director's report and financial  
statements**

Registered number 02689545

For the 10 month period ended 31 October  
2008

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## Director's report

The directors present their report and the financial statements for the 10 month period ended 31 October 2008.

### Directors

The following directors have held office during the period:

K A R Wilson  
JC Hughes

### Principal activities

Springs Community Limited ("the Company") did not trade during the current or previous period.

### Business review

Springs Community Limited is consolidated as part of the Cygnet 2008 group.

On 29<sup>th</sup> February 2008, the entire group undertaking of Cygnet 2002 Limited was acquired by Cygnet 2008 Limited with the consideration comprising £52.2 million in cash and 55,791,000 shares in Cygnet 2008 Limited. Under IFRS 3, "Business Combinations", this group reconstruction has been accounted for as a reverse acquisition.

As Springs Community Limited did not trade the directors are of the opinion that there are no specific risks or uncertainty relevant to the company. The Group's Business Review and risks and uncertainties can be found in the Cygnet 2008 Limited consolidated financial statements.

### Auditors

KPMG LLP was appointed during the period.

A resolution for the re-appointment of KPMG LLP as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By order of the board



KAR Wilson  
Director

21 August 2009

## **Statement of director's responsibilities in respect of the director's report and the financial statements**

The directors are responsible for preparing the Director's 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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU and applicable law.

The financial statements are required by law to present fairly the financial position and the performance of the company; the Companies Act 1985 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## KPMG LLP

Plym House  
3 Longbridge Road  
Plymouth  
PL6 8LT  
United Kingdom

### **Independent auditors' report to the members of Springs Community Limited**

We have audited the financial statements of Springs Community Limited for the period ended 31 October 2008 which comprise the Income Statement, Balance Sheet, Cash Flow Statement and related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

The director's responsibilities for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Director's Responsibilities on page 2.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Director's Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and other transactions is not disclosed.

We read the Director's Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the director in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Independent auditors' report to the members of Springs Community Limited**  
*(continued)*

**Opinion**

In our opinion:

- the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of the company's affairs as at 31 October 2008 and of its result for the period then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Director's Report is consistent with the financial statements.

*KPMG LLP*

**KPMG LLP**  
*Chartered Accountants*  
*Registered Auditor*

*21 August* 2009

## **Income Statement**

*For period ended 31 October 2008*

During the current and preceding financial period, the Company did not trade and received no income and incurred no expenditure.

Consequently, during those periods the Company made neither a profit nor a loss.

## Balance Sheet

	<i>Note</i>	<b>31 October 2008 £</b>	<b>31 December 2007 £</b>
<b>Non-current assets</b>			
Amounts owed by group undertakings		8,803,868	8,803,868
		<hr/>	<hr/>
<b>Total assets</b>		<b>8,803,868</b>	<b>8,803,868</b>
		<hr/>	<hr/>
<b>Equity attributable to equity holders of the parent</b>			
Share capital	6	2	2
Retained earnings	6	8,803,866	8,803,866
		<hr/>	<hr/>
<b>Total equity and liabilities</b>		<b>8,803,868</b>	<b>8,803,868</b>
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 21 | 8 | 2009 and were signed on its behalf by:

  
**KAR Wilson**  
Director

## Cash Flow Statement

*For period ended 31 October 2008*

There were no cash flows in the period ended 31 October 2008 or 31 December 2007.



## Notes

*(forming part of the financial statements)*

### **1 Accounting policies**

Springs Community Limited (the "Company") is a company incorporated in the UK.

The address of the Company's registered office is;

Godden Green Clinic  
Sevenoaks  
Kent  
TN15 0JR

#### ***Statement of compliance***

The financial statements have been prepared and approved by the director in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"). These are the Company's first Adopted IFRS compliant financial statements.

#### ***Basis of preparation***

The financial statements are presented in sterling. They are prepared on the historical cost basis.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening IFRS balance sheet at 1 January 2007 for the purposes of the transition to Adopted IFRSs.

#### ***Transition to Adopted IFRSs***

The Company is preparing its financial statements in accordance with Adopted IFRS for the first time and consequently has applied IFRS 1. An explanation of how the transition to Adopted IFRSs has affected the reported financial position of the Company is provided in note 7.

In addition to exempting companies from the requirement to restate comparatives for IAS 32 and IAS 39, IFRS 1 grants certain exemptions from the full requirements of Adopted IFRS 5 in the transition period. No exemptions have been taking in these financial statements.

#### ***Significant accounting policies***

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The preparation of financial statements in conformity with Adopted IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 Director does not believe there are any judgements and estimates made by management in the application of Adopted IFRS that have significant effect on the financial statements.

The Director does not believe there are any financial reporting standards applicable to the Company for future financial periods that have not been applied in preparing these financial statements.

**Notes** *(continued)*

**1 Accounting policies** *(continued)*

**Trade and other receivables**

Trade and other receivables are stated at amortised cost.

**2 Auditors' remuneration**

*Auditors' remuneration*

	2008 £
Audit of these financial statements	1,000

The remuneration of the auditors in the current and prior financial years was borne by another group company. The amount above is management's best estimate of the proportion relating to this company.

**3 Staff numbers and costs**

Springs Community Limited does not directly employ any individuals and hence does not incur any payroll costs in the Company (2007: £nil).

**4 Director's remuneration**

The director received no emoluments for services to the company during the period. The director received remuneration for services to Cygnet 2008 Limited of which Springs Community Limited is a subsidiary undertaking, however the proportion attributable to his services to Springs Community Limited is not separately identifiable.

## Notes (continued)

### 5 Ultimate parent company

The Company is a wholly owned subsidiary of Cygnet 2002 Limited, a company registered in the UK.

The Company's ultimate parent undertaking is Cygnet 2008 Limited, a company incorporated and registered in the UK on the 4 January 2008.

The results of the Company are consolidated into the group that is headed by Cygnet 2008 Limited. The consolidated accounts of Cygnet 2008 Limited are available to the public and may be obtained from:

179 Kings Road  
Kingston  
Surrey  
KT2 5JH

### 6 Capital and reserves

#### Reconciliation of movement in capital and reserves

	Share capital	Retained earnings	Total
	£	£	£
Balance at 1 January 2008	2	8,803,866	8,803,868
Result for the period	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 October 2008</b>	<b>2</b>	<b>8,803,866</b>	<b>8,803,868</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

## Notes (continued)

### 7 Explanation of transition to Adopted IFRSs

#### Reconciliation of equity

	Note	1 January 2007			31 December 2007		
		UK GAAP	Effect of transition to Adopted IFRSs	Adopted IFRSs	UK GAAP	Effect of transition to Adopted IFRSs	Adopted IFRSs
		£	£	£	£	£	£
<b>Current assets</b>							
Amounts owed by Group undertakings		8,803,868	-	8,803,868	8,803,868	-	8,803,868
<b>Total assets</b>		8,803,868	-	8,803,868	8,803,868	-	8,803,868
<b>Capital and reserves</b>							
Called up share capital	2	-	-	2	2	-	2
Retained earnings		8,803,866	-	8,803,866	8,803,866	-	8,803,866
<b>Total equity and liabilities</b>		8,803,868	-	8,803,868	8,803,868	-	8,803,868