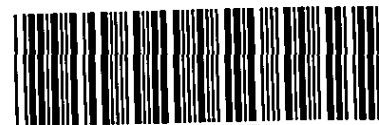


Supporta plc

Annual Report & Accounts 2009

COMPANY REGISTRATION NUMBER
04002389

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15/10/2009

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COMPANIES HOUSE

Supporta plc is a leading provider of support services in the UK. Over 75% of our income is derived from provision of domiciliary care services, with the remainder being business process outsourcing, land & property consultancy and records management.

Supporta Care provides support to elderly, frail and disabled people in the UK to allow them to continue living in their own home in comfort with dignity.

Supporta Terraquest provides business process outsourcing and land & property consultancy services to leading public and private sector organisations across the UK.

Supporta Datacare provides secure records management services to public and private sector organisations in the UK.

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The Directors' Report on pages 16 to 18 have been drawn up in accordance with the requirements of English law and liability in respect thereof is also governed by English law. In particular, the responsibility of the Directors for these reports is owed solely to Supporta plc.

The Directors submit to the members their annual report and financial statements of the Group for the year ended 31 March 2009. Pages 1 to 15 and page 72, including the Financial Highlights, Chairman's Statement, Financial Director's Report, Corporate Governance Statement, Company Information and Directors' Report form part of the Report of the Directors.

Highlights for the year ended 31 March 2009

Financial highlights*

- Revenue increased by 16% to £53.47m (2008: £46.23m)
- Operating profit before share based payment charge, impairment, amortisation and exceptional items increased by 41% to £5.06m. (2008: £3.60m)
- Operating loss of £1.30m (2008: profit of £1.66m) driven principally by impairment of Parys Snowdon Group goodwill
- Normalised profit before tax* increased by 62% to £3.54m (2008: £2.19m)
- Loss before tax of £2.83m (2008: profit £0.25m)
- Adjusted basic earnings per share* increased by 58% to 4.25p (2008: 2.69p)
- Basic loss per share of 15.70p. (2008: loss 2.24p)
- Cash generated from operations increased by 79% to £3.39m (2008: £1.90m)
- Loss on discontinued business of £10.91m, including £9.54m loss on disposal of Architecture and Engineering Business

Operational highlights

Supporta Care

- Organic revenue growth of 19%
- Operating profit* increased 18% to £4.67m (2008: £3.96m)
- Over 5,300 new care hours implemented during financial year with an average contract length of 5.2 years
- 2,400 new hours secured in first quarter of 2009/10 financial year for implementation with average contract length of 3.9 years
- 7,000 hours of contracts renewed with average contract length of 3.6 years
- 15,000 hours of contracts extended on average until November 2009
- Operating Margin of 11.1%

* before share-based payment charge, impairment, amortisation and exceptional items

* numbers represent continuing operations only

Supporta Professional Services

- Excellent year for Supporta TerraQuest who continue to enhance their partnerships with key customers
- Supporta Datacare opened a new storage facility at its Upper Heyford site
- Healthcare agreed an early termination of its Oxford Radcliffe Hospitals NHS Trust contract for a fee of £0.2m in May 2008
- Cost cutting initiative delivered in excess of £1.0m of savings on an annualised basis.
- Supporta Architecture and Engineering disposed of 24 March 2009

Business Profile

Supporta Care is one of the largest and most experienced providers of care at home in the country currently working with 52 local authorities, 18 Primary Care Trusts and 5 Extracare Schemes and providing care to over 5,000 Service Users.

At Supporta Care we are dedicated to people, employing over 2,850 staff providing over 65,000 hours of care per week to communities across the UK, 24 hours a day, 7 days a week, 365 days a year.

Supporta Care have been providing care services for over 15 years and provide a variety of care services ranging from fortnightly shopping calls through to intensive 24 hour services.

Live-in Care and Respite Services

Live-in care offers a real care alternative to nursing or residential care and the opportunity for couples to remain together at home.

Our live-in services also offer respite care for shorter periods enabling relatives to enjoy a break. Our live-in care service is offered across the country and is managed from two sites, one in Dudley and the other in Loughton, Essex.

Palliative Care

Supporta Care provides a tailor-made service designed to offer professional, flexible and sympathetic care to the terminally ill and their families.

This service offers real choice for patients to receive the care they need in the comfort of their own home. If a patient is in hospital, we can offer support to assist in an early discharge and allow them to receive appropriate care at home. This service is provided in a sensitive manner by staff who have received appropriate training by Supporta Care.

Supporta Angels

Supporta Angels – provides a tailor-made platinum service dedicated to improving customers' lifestyles and helping them live their lives, their way.

We provide care solutions for people of all ages who are looking to maintain or regain their independence.

They may be recovering from an operation or illness and trying to re-adjust to life at home. They may need occasional assistance with everyday tasks or are just looking for additional support through a difficult period in their life.

Whatever their needs, Supporta Angels offers the care they need in the comfort of their own home.

Rapid Response

This service is provided at short notice to enable speedy hospital discharges or prevent admissions which can be a significant problem for health and social care services.

Supporta Care have trained staff on stand-by to cover referrals at short notice and the service is managed locally and supported by our out-of-hours provision.

This service can be linked to providing a care service to people who have had a fall, for example. Before discharge from hospital, Supporta Care staff will help ease the patient into receiving care assistance at home. This service could also allow the patient to gain confidence by returning home for short time periods prior to discharge.

Supporta Care Timeline

Hertfordshire Contract start April 08	Bristol Very Sheltered Housing Scheme start April 08	Surrey County Council start September 08	Peterborough branch rated excellent by CQC January 09	Successful renewal of Investors in People for a further 3 years March 09
Stockton Contract start April 08	Hammersmith & Fulham Carers Support Pilot start April 08	Sutton branch rated excellent by CQC September 08	Live-in Services managed from Dudley rated excellent by CQC February 09	
Vale View Nottinghamshire Extra Care Scheme start April 08		Lincoln branch rated excellent by CQC November 08		

Extra Care Schemes

Supporta Care currently manages and provides support services to five extra care schemes nationally.

The service users we assist in these extra care settings have a wide range of needs from that of supported living to complex dual sensory impairment. The underpinning principle is to deliver a personalised service where positive service user outcomes are our key focus.

Business Profile

The business supplies services which enable more effective use of land and property and improved business efficiency in the UK through the application of knowledge, expertise and technology.

Supporta TerraQuest

The business supplies services which enable more effective use of land and property and improved business efficiency in the UK through the application of knowledge, expertise and technology in the following market segments.

Local Authorities & Regeneration Agencies

There are over 400 local authorities in the UK. Our focus is on those with large land and property portfolios but with significant underutilisation of land and property assets.

We address these authorities' need for better utilisation of land and property assets by providing asset management, land acquisition and town planning services.

There are thirty Regeneration Agencies working at national, regional and local levels to complement and support local authorities in their economic development and associated regeneration aspirations.

The business addresses the needs of these Agencies to accelerate development by providing development opportunity identification and land acquisition services.

Transport, Utilities and Property Developers

Transport and Utility developers are responsible for highway, rail, air and water transportation, power, water, communications and waste transmission. They generally need to secure the land and powers needed to provide new infrastructure by following statutory procedures.

The business addresses their needs by providing services which secure possession and title to the land. We also enable infrastructure developers to manage their land portfolios more effectively.

There is a very large number of property developers in both the public and private sectors. Some operate nationally, others regionally or locally. Some specialise in specific types of development e.g. housing and retail whilst others cover a range of development types.

The business is focussing on those property developers who have large land holdings and provides web-based management information services aimed at enabling them to maximise the return on their investment.

Government

The key focus is providing outsourced processing services which enable the Government's efficiency improvement and cost reduction targets to be met.

The success of three major contracts in Scotland and Northern Ireland has led to number of further opportunities in Government which are currently being pursued.

CrossRail Property
Services and
Property Register
(Software as a
Service) Contract
(5 years)
April 2008

Transport for
London Property
Asset Register
Framework
Contract (5 years)
April 2008

Taylor Wimpey
Strategic Land
(SAAS) Contract
(5 years)
June 2008

Supporta Datacare

Supporta Datacare provides records management services including physical storage and electronic conversion and retrieval.

Supporta Datacare is a first class provider of document management services – offering a winning combination of expertise, unbeatable security and value for money.

Managing over 500 million documents for public and private sector organisations, Supporta Datacare is dedicated to offering the highest quality document management services, without compromise.

Supporta Datacare is accredited with ISO 9001:2000 Quality Management System with Standard Operating Procedures and Work Instructions for all activities relating to the storage and retrieval of client data.

The Hardened Aircraft Shelters (HAS) occupied by Supporta Datacare have been converted into archives following the guidelines of BS5454:2000. These ex-NATO buildings are made from one metre thick reinforced concrete on a hardened steel shell, designed to withstand a 1000lb demolition bomb.

These have been converted into one of the safest places to store paper and electronic data. Supporta Datacare controls the environment, security and access to client data whilst the buildings themselves are located behind a 10 foot razor wire fence and are patrolled 24 hours per day.

Supporta Datacare has its own dedicated fleet of unmarked vehicles and drivers for the delivery and collection of documents. We are able to offer next day delivery, same day 4 hour delivery as well as Image on Demand.

Supporta Datacare also delivers specialist data conversion and scanning services. Any document (paper or film used) can be converted into any format, regardless of age, condition or size. A range of viewing

platforms are available. Images can be received via email, CD, direct upload, hosted archive, through a secure online portal or another medium of choice.

Image on Demand enables access to documents through a secure online portal (RsWeb). This new “pay as you go” service minimizes costs; only digitising those documents that are actually needed. When a client needs to retrieve a file, they can request it through RsWeb. The requested document will be retrieved, scanned and rapidly available either in their inbox, or via RsWeb.

The management team at Supporta Datacare has significant experience in archiving and records management and offer objective and professional advice. Supporta Datacare work closely with their clients in order to ensure a cost effective, quality service is provided which matches storage and service requirements.

Supporta Datacare has been successfully delivering document management services since 1980 and has particular expertise in providing its services to the pharmaceutical sector. This is borne both from the unique location in which records are stored and the additional measures that have been taken to align the provision with the requirements of the sector. These measures include training of staff to GCP Certification and compliance with CFR part 11 for the scanning operation. Supporta Datacare use and follow GLP and GCP directives as guidelines as well as BS5454 and ISO11799.

In addition to pharmaceutical companies, Supporta Datacare's portfolio includes major clients from the NHS, Local and Central Government as well as the Legal and Financial industries.

Chairman's Statement

The Board is proud of the progress made in the Care, TerraQuest and Datacare operating businesses during the past twelve months.

Dr Clive Grace, Non-executive Chairman

I am pleased to present the Group's results for the year ended 31 March 2009. The Board is proud of the progress made in the Care, TerraQuest and Datacare operating businesses during the past twelve months. The progress in delivering significant revenue and underlying profit growth is a testament to the management of these businesses in what has been a year of challenges posed by difficult economic conditions and considerable uncertainty relating to the offers made for the acquisition of the Group.

Group Strategy

During 2008/9, the Board has taken important steps to focus the business and realise its core strategy. We disposed of the architecture and engineering businesses which were acting as a drain on management and Board effort and which were not meeting our business plan expectations. We also reduced Supporta Professional Services central overhead and PLC costs substantially and maintained a tight focus on cost across the business, whilst strengthening sales and marketing activity.

The Group is now poised to take advantage of this improved cost base and organisational focus.

Corporate Activity

As announced on 4 September 2008, the Board of Supporta had received an approach which may or may not have led to an offer to acquire the issued and to be issued share capital of the Company. Supporta entered exclusive discussions following this approach with two parties ("Joint Offerors"). Despite significant resource and management time being applied to the process, in the board's opinion the prevailing funding environment has made it difficult to progress matters expeditiously.

Under the terms of an exclusivity agreement, the Joint Offerors were required to reconfirm, on a specified date, that they were prepared to proceed at the agreed price. No such reconfirmation was received. As a consequence the Group has now terminated discussions with the Joint Offerors and all other prospective offerors for the Group. As a result of this, the Company is no longer in an offer period.

The Board believes that during the offer period significant progress has been made in restructuring and strengthening the Group's operations. As described elsewhere in this report, organic growth in Supporta Care in the year of 19% has been achieved, all loss making Supporta business services operations have been successfully disposed of and central costs have been reduced by £1.1m on an annualised basis.

Performance in 2008/09

The reported results for operating profit from continuing businesses before exceptional items and share based payment charge are in line with management expectations for the year.

Trading Outlook

Trading for the year to date is in line with management's expectations and the Directors believe that the Group is well positioned to deliver underlying organic growth in the year. Supporta Care continues to perform very positively and the Directors believe that it has excellent opportunities for growth. Supporta TerraQuest's growth this year will be impacted by the need to invest in the new five year contract for which we are currently preferred supplier. We are confident that 2009/10 will be a year of positive growth for the Group overall.

The Group is now poised to take advantage of this improved cost base and organisational focus.

Core Values

Supporta now has an impressive list of customers, predominantly in the public sector. We provide a range of critical services which enhance peoples' lives on a daily basis. We acknowledge this responsibility and the accountability that comes with it. We strive to put in place quality controls to ensure that every customer's experience of Supporta is positive. The Board regularly receives reports on customer satisfaction and customer feedback, reflecting the importance which it attaches to meeting and exceeding their expectations.

To continue this success we need a highly professional, trained and motivated workforce. We aim to reward staff competitively for the roles they undertake. We also realise that for many of our staff their roles are vocations rather than simply jobs. We aim to enrich their work life through training and development which helps them meet their aspirations and also improves the quality of our services. We monitor feedback from staff and seek ways in which their working lives can be even more rewarding.

Our staff continue to show exceptional dedication to their roles and make a huge contribution to the quality of life of many thousands of people, often some of the most vulnerable in the United Kingdom. On this note I would like to thank on behalf of the Board all Supporta staff who have helped deliver these exceptional outcomes both for our customers and the Group.

Changes to the Board

On the 31 December 2008, Michael Curran, Chief Executive Officer of the Supporta Professional Services Division left his role on the Board. We would like to take this opportunity to thank Michael formally for his contribution to the management of the company over the past five years. The Managing Directors of the remaining TerraQuest and Datacare business units now report directly to John Jasper, Group Chief Executive.



Clive Grace
Chairman

22 June 2009

Chief Executive's Report

Supporta's underlying business has overall continued to deliver a robust performance during the last year notwithstanding the turbulent economic conditions.

John Jasper, Group Chief Executive

Supporta's underlying business has overall continued to deliver a robust performance during the last year notwithstanding the turbulent economic conditions. A number of initiatives are helping us achieve these results:

- 5,300 hours of new Care contracts implemented
- 7,000 hours of Care contracts renewed
- 15,000 hours of contract extensions secured
- Corporate costs significantly reduced
- Warwick offices closed
- Excellent results for Supporta TerraQuest

Supporta Care

Supporta Care has delivered an exceptional set of results showing an 18% increase in operating profits* on organic turnover growth of 19%. Operating margins* have increased to 11.1% in the full year from 10.7% in the first six months when implementation costs of new contracts were incurred.

The business has focused on implementing the new contracts we have recently won and ensuring renewals of existing contracts.

The Order book for Supporta Care stands at £85.7m at the start of the year an increase of 12.3% over the position at 30 September 2008.

Care Division New Contracts

Client	Type of Contract	Duration years
Hertfordshire (w)	Block	7
Cheshire Extra Care Scheme (w)	Block	5
Norfolk CC (w/r)	Block	5
LB Richmond (r)	Framework & Block	4
Brighton and Hove (r)	Spot	3
Brighton and Hove Extra Care Scheme (w)	Block	3
Bristol Extracare Scheme (w)	Block	3
Dudley MBC (r)	Spot	3
Hammersmith & Fulham Emergency Support Service (w)	Spot	3
Hounslow (r)	Cost and Volume	3
Nottinghamshire Extra Care Scheme (w)	Block	3
Rutland (w)	Cost & Volume	3
Stockton-upon-Tees (w)	Block	3
Surrey (w)	Spot	3
Sutton (r)	Cost and volume	3
Nottinghamshire (w)	Framework	2
Lambeth PCT (e)	Spot	1
Oxfordshire (e)	Block	1
Sunderland (e)	Spot	1
Hammersmith & Fulham (e)	Block	6 months
Peterborough (e)	Block	6 months
Islington (e)	Block	1 month
Hackney (r)	Spot	open-ended
Hounslow Supporting People Service (w)	Framework	open-ended

Key

w - win r - renewed e - extended

Supporta TerraQuest has had an excellent the year with operating profits* increasing by 10.7%.

Supporta Professional Services

Supporta TerraQuest has had an excellent year with operating profits* increasing by 10.7% on the same period last year despite the more difficult economic climate. The order book for Supporta TerraQuest improved by 22.3% to stand at £6.97m (2008: £5.70m) currently and it is a focus for the business over the coming year to improve its order book substantially. During the year the business secured the following contracts:

Customer	Duration	Services
Transport for London	5 year framework agreement	Property, Graphical Information Systems and Land referencing
Crossrail	5 year contract	Land referencing services
Taylor Wimpey	5 year contract	Strategic and Residual Land Solution
Birmingham City Council	5 year contract	Property Services Process Review

Additionally Supporta TerraQuest has been selected as preferred supplier for a five year contract to provide a managed registration and printing solution in Scotland.

Supporta's records management business, Datacare, has enhanced its capability with the opening of a new storage facility at its Upper Heyford Site. The business achieved gross margins during the year of 63%, however the additional fixed cost of the new facility which is not yet at full capacity along with investment in sales and marketing costs has depressed the profit contribution from this business. During the year the business retained 98% of its client base. The business's strong presence in the NHS, pharmaceutical and legal sectors gives a good base from which to grow. During the year the business secured renewals of contracts with the Oxford Radcliffe Hospitals NHS Trust for controlled destruction of files and won a contract with London Borough of Merton Social Services – for scanning and archiving of security controlled files.

Supporta Healthcare agreed a mutual termination of its contract with the Oxford Radcliffe Hospitals NHS Trust in May 2008 for a fee of £0.2m equivalent to one year's profits. The business continues to service NHS clients' legacy systems though it is expected that this work will reduce over time as legacy systems are closed down. As a result of this we have impaired the value of the goodwill on the balance sheet by £3.65m. The combined order book for records management and healthcare stands at £2.9m which is an 81% increase over the position at 31 March 2008.

The 2008/09 revenue and operating profit before share-based payment charge, impairment, amortisation and exceptional items for each of these continuing units is set out in the following table:

	2009		2008	
	Revenue	Operating Profit*	Revenue	Operating Profit*
Supporta TerraQuest	8,727	2,686	8,398	2,426
Supporta Datacare				
Records Management	2,168	187	2,169	586
Healthcare	864	258	1,813	380
	3,032	445	3,982	966
Overheads	-	(1,718)	-	(1,799)
Supporta Professional Services	11,759	1,413	12,380	1,593

* before share-based payment charge, impairment, amortisation and exceptional items

Chief Executive's Report

Supporta's records management business, Datacare, achieved gross margins during the year of 63%.

John Jasper, Group Chief Executive

From 1 April 2009 the brand of Supporta Professional Services was discontinued. Supporta TerraQuest will trade under its own brand and the activities of the records management and healthcare businesses will be combined under the Supporta Datacare brand. The overheads of Supporta Professional Services will be transferred into the businesses and further savings are expected to be generated in the 2009/10 financial year.

Corporate Development

We decided to close the Corporate headquarters office at the end of August 2008. The lease for the building was surrendered in December 2008. The annual running costs of the building were £350k with the first break not due until February 2015. The unavoidable costs relating to the premises going forward amounted £1.69m with additional staffing costs over the period to the lease break amounting to £0.59m. The exceptional charge for the year represented a £0.35m lease surrender premium to the landlord, £0.03m professional fees relating to the lease surrender, £0.10m of building running costs from the date the building was vacated to the surrender of the lease, £0.22m write down of fixed assets and £0.14m provision for operating leases and other contracts associated with the building.

On 24 March 2009 the Group disposed of the Architecture and Engineering businesses. The cashflow profile, risk and cyclical nature of these businesses had led us to conclude that they were not core to the strategic direction of the Group going forward. We wish the staff in those businesses well in the future and thank them for their efforts whilst part of the Supporta Group.



John Jasper
Group Chief Executive

22 June 2009

Supporta TerraQuest has been selected as preferred supplier for a five year contract to provide a managed registration and printing solution in Scotland.

Finance Director's Report

Cash inflow from operating activities increased by 79% to £3.39m in the year (2008: £1.90m inflow). This was driven by improved underlying profitability in the year and better cash collection.

Darren Xiberas, Group Finance Director

The Group's overall results from continuing operations for the year ended 31 March 2009 and percentage change from year ended 31 March 2008 show:

Revenue	£53.47m	+16%
Operating Loss	(£1.30m)	
Loss Before Tax From Continuing operations	(£2.83m)	
Cash Generated From Operations	£3.39m	+79%
Loss Per Share from continuing operations	(2.95p)	

Revenue

In 2009 Group revenue from continuing operations increased by 16% to £53.47m (2008: £46.23m). Growth has been generated both from the full year effect of the Hallam Healthcare (East Midlands) Limited acquisition and from underlying organic revenue growth of 13%.

The disposal of Supporta's Architecture and Engineering business completed on 24 March 2009 and consequently the results presented here do not include any contribution from those businesses.

Operating profit

The Group's operating profit before share based payment charge, impairment, amortisation and exceptional items from continuing operations increased by 41% to £5.06m (2008: £3.60m).

An impairment charge of £3.65m was recognised in relation to the Parys Snowdon Group goodwill. This impairment charge reflects management's perception of the ongoing cashflow attributable to the Healthcare business following the mutually agreed early termination of its Oxford Radcliffe Hospitals NHS Trust contract for a fee of £0.2m in May 2008. Amortisation charges of £0.99m were incurred in relation to software and customer related intangible assets.

As a result of the decision to close the Warwick head office premises we incurred a charge of £0.84m as an exceptional item in the year. The remainder of the amount charged as exceptional relates principally to costs incurred resulting from the offers received by the Group (£0.14m), costs relating to abortive disposals (£0.08m) and redundancies principally in Supporta Professional Services (£0.49m).

Taxation

Corporation tax credit of £0.30m (2008: £0.27m charge) has been recognised, which is equivalent to an effective tax rate of 10.6% (2008: 108%). This charge is impacted by a number of disallowable items including share based payment charge, amortisation and timing differences.

Earnings per share

Adjusted earnings per share* increased by 58% to 4.25p (2008: 2.69p).

The reported loss after taxation for the year from continuing operations was £2.53m (2008: loss of £0.02m) which equates to a loss per share for the year of 2.95p (2008: loss of 0.03p). Losses on discontinued operations amounted to £10.91m which includes a £9.54m loss on the disposal of the architecture and engineering businesses.

Cash flow

Net cash inflow for the Group in the year was £0.12m compared to an outflow in 2008 of £1.78m. Cash inflow from operating activities increased by 79% to £3.39m in the year (2008: £1.90m inflow). This was driven by improved underlying profitability in the year and better cash collection. Financing activities raised £1.54m in the year (2008: £4.01m), of which £2.13m came from the drawdown of banking facilities offset by loan repayments of £1.70m. £1.11m of shares were issued as part of the final instalment of deferred consideration due to the previous owners of TerraQuest. The net cash outflow from investing activities was £2.89m (2008: £5.42m).

Treasury management and financial instruments

Financial instruments include all assets and liabilities of a financial nature such as cash, loans, finance leases, overdrafts and long term liabilities. All such instruments play an important part in the operations of the Group to enable it to operate smoothly and effectively and to pay its obligations as they fall due. They also enable the Group to fulfill its investment strategy including making appropriate acquisitions. The Group's objectives are twofold: to use financial instruments to minimise the cost of capital at an

* before share-based payment charge, impairment, amortisation and exceptional items

We believe that the Group is well positioned to deliver underlying organic growth.

acceptably low financial risk; and to maximise flexibility to take advantage of investment and acquisition opportunities as they arise.

The Group is primarily a UK provider of outsourced services to the public sector and does not have significant foreign exchange risks.

At the end of the year the Group had net borrowings of £17.70m.

The Group's policy is, and has been throughout the year, that no trading in financial instruments is undertaken.

The volatility in 3 month LIBOR was a determining factor in the Group entering into a hedging arrangement in May 2008 to fix the remainder of the Group's current term debt at a fixed rate of 5.445% for four years. The Group's current margin applicable over and above the fixed rate is 2.5% reducing as the ratio of net debt to earnings before interest, tax and amortisation falls.

Retirement Benefit Obligations

The liability recorded in relation to retirement benefit obligations has improved over the accounting period to £2.72m (2008: £3.18m) largely as a result of favourable changes in market conditions (a higher discount rate and lower rate of price inflation leading to lower pension liabilities) and due to the contributions paid to the defined benefit scheme by the Group in accordance with the Recovery Plan dated 2 December 2008. This has been partially offset by poor investment returns achieved by the defined benefit scheme over the year.

The current service cost has fallen mainly reflecting the reduced active membership in the defined benefit scheme, however, a larger interest cost and lower expected return on scheme assets item has resulted in the total profit and loss charge remaining fairly stable from the previous year.

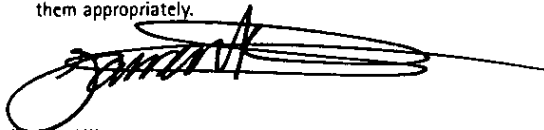
Risks

Supporta has identified the three most significant operational risks faced by the business – and measures to counterbalance them – as follows:

- **Staff recruitment and retention**
our business needs access to appropriately skilled employees to enable us to grow in a sustainable fashion. We have implemented our Employer of Choice initiative

to mitigate this risk. We have also recently been re-awarded Investors In People status for our Care business for a further three years. In addition to progress already made on training and development, we will continue to review our remuneration and employment policies to ensure we can maintain good staff retention within our businesses.

- **Quality failure**
the business provides life critical services to many thousands of people in the UK, in often complex and challenging situations. Within our businesses, as part of our Supplier of Choice initiative we have implemented best practice procedures and manuals, health and safety working practices, customer service initiatives and relationship management procedures. These are regularly reinforced through staff training and development. We have made further significant investments in our Care operational IT systems to further strengthen our commitment to quality. The operational management team meets regularly to review operational quality issues and items of a significant nature are reported to the Board on a regular basis.
- **Exposure to UK property sector**
a large part of TerraQuest's revenue is derived from the UK property sector. Approximately 20% of TerraQuest's revenues are derived from the private sector property industry. Additionally the contract for servicing Land Registers of Northern Ireland is largely dependent upon property transactions in Northern Ireland. Alongside this private sector exposure we also run a significant element of work on behalf of the public sector and we aim to shift resources into this sector as economic activity in the private sector slows. However we will continue to monitor the resourcing levels of the business and flex them appropriately.



Darren Xiberras
Group Finance Director

22 June 2009

Board of Directors

Dr. Clive Grace

Non-Executive Chairman

Clive is an Honorary Research Fellow at Cardiff Business School, where he researches financial reporting, public services, leadership and governance. He is a well-respected consultant and leadership coach, with a wealth of public services improvement experience.

Chair of the Board of the Solace Foundation Imprint, Clive is also an active Member of CIPFA and serves on its Council and Management Committee.

He has held a number of senior executive positions in the public sector, most recently as Deputy Auditor General for Wales and Director General of the Audit Commission for Wales. He holds a DPhil. from Oxford University in Law and Sociology, an MA in Government from the University of California, and a Diploma in Business Administration from the Open University.

Clive is also a qualified solicitor.

John Jasper

Group Chief Executive

John is a pioneer of outsourced services, with vast experience in the sector and a clear vision of the future.

He was a member of the Capita Group Board for six years, and subsequently in the role of Group Chief Executive Officer established HBS (formerly Hyder Business Services), a company which is now a leading provider of outsourced services to the public sector.

Since joining Supporta in August 2004, John has transformed the Group into a fast growing organisation.

John is also a fellow of the British Computer Society.

Darren Xiberras

Group Finance Director

Darren is a Chartered Certified Accountant, a graduate of the Advanced Development Programme of Cranfield University's School of Management and holds a Bachelor's degree in Economics from Cardiff University.

Darren has extensive financial management experience with fast-growing companies in the support services sector, including operational financial management, business acquisitions and disposals, acquisition integration, system implementations, public private partnership contract negotiations and management, sales support and pricing of large outsourcing contracts.

Prior to joining Supporta, he held the roles of Divisional Finance Director at Tribal Education Limited, a subsidiary of the Tribal Group plc, and Regional Finance Director of HBS Business Services Limited, where he was responsible for business units with up to £75m annual turnover. He trained as an accountant within the utilities industry.

Bernadette Walsh**Managing Director, Supporta Care**

Bernadette has over twenty five years experience in the delivery of outsourced homecare services and solutions to the public sector. She has an outstanding reputation and an excellent track record with local authorities in providing very high standards of service. Prior to her appointment as Managing Director of Supporta Care, Bernadette was MD of Medico – one of the social care brands within Nestor plc and a Director of Grosvenor Nursing Ltd.

Nick Scholte**Non-Executive Director**

Nick is Chief Executive of the NHS Business Services Authority (NHS BSA), which provides a wide range of key support services to NHS contractors, managers and users. It was formed in April 2006, out of the merger of the NHS Prescription Pricing Authority, Dental Practice Board, NHS Pensions Authority, NHS Logistics Authority and the NHS Counter Fraud & Security Management Service.

Nick is one of the most highly regarded senior officers in the NHS, and has considerable experience of reorganising and restructuring high-volume transaction processing businesses.

Directors' Report

The Directors present their report together with financial statements for the year ended 31 March 2009.

PRINCIPAL ACTIVITIES

The principal activities of the Group are the provision of outsourcing services to the public sector.

The principal activity of the Company is to act as a holding company.

BUSINESS REVIEW

There was a loss for the year after taxation amounting to £13.44m (2008: £1.59m). The Directors do not recommend payment of a dividend (2008: £Nil). Principal business risks are discussed on page 13. A detailed review can be found in the Chief Executive's report set out on pages 8 to 11.

The Key Performance Indicators ('KPIs') used by the Group to measure its own performance are revenue, adjusted operating profit, net cashflow from operating activities, adjusted earnings per share growth and corporate costs. The figures for the year ended 31 March 2009 are set out in the financial highlights on page 1 together with the figures for the previous year and are discussed in the Finance Director's report on pages 12 & 13. For the Care division KPIs include divisional revenue, adjusted operating profit, adjusted operating margin, hours of care provided, new care contract hours won, Commission for Social Care Inspection (CSCI)/Care Quality Commission (CQC) ratings and operating cashflow conversion. For the Professional Services division KPIs include divisional revenue, adjusted operating profit, adjusted operating margin and operating cashflow conversion.

DIRECTORS

The membership of the Board during the year and subsequently is set out below.

	Appointed	Resigned
C Grace	-	-
J Jasper	-	-
M Curran	-	31 December 2008
D Xiberras	-	-
B Walsh	-	-
N Scholte	-	-

The annual base salaries and beneficial interests of the Directors in the shares of the Company at 1 April 2008 and 31 March 2009 (or the date of appointment to the board if later) were as follows:

	Annual base salary		Ordinary shares	
	31 March 2009 £	1 April 2008 (or date of appointment if later) £	31 March 2009 No.	1 April 2008 No.
C Grace	50,000	50,000	100,000	100,000
J Jasper	225,000	175,000	400,000	400,000
M Curran	-	110,000	n/a	2,963,680
D Xiberras	150,000	120,000	10,000	10,000
B Walsh	140,000	110,000	10,000	10,000
N Scholte	20,000	20,000	-	-

Bonuses of £246,454 are payable to Directors for the year (2008: nil). Executive directors are eligible for bonuses as a percentage of salary being a maximum of 100% for John Jasper and 70% for Bernadette Walsh and Darren Xiberras. Bonuses are payable on achieving certain operating profit before share based payment charge, impairment, amortisation and exceptional items (37% weighting), operating cashflow (15% weighting), adjusted EPS (23% weighting) and qualitative targets (25% weighting) set by the remuneration committee. Of targets relating to operating profit before share based payment charge, impairment, amortisation and exceptional items, 54% of the maximum bonus was payable. For operating cashflow targets 39% of the maximum bonus was payable. For adjusted EPS 58% of the maximum bonus was payable. For the qualitative targets 74% of the maximum bonus was payable.

Directors' Report *continued*

Compensation for loss of office of £162,000 was paid to Michael Curran during the year.

The share options of the Directors were as follows:

Exercise price (p)	26.0	40.0	59.5	62.5	63.0	71.5	89.5	40.0	59.5	62.5	63.0	71.5	89.5
C Grace													
J Jasper	500,000	250,000	4,077,373					250,000	4,077,373				
M Curran				250,000			132,999			250,000			132,999
D Xiberras	250,000				150,000		100,000				150,000		100,000
B Walsh	250,000					250,000						250,000	
N Scholte													

On 7 August 2008 the Remuneration Committee granted 500,000 share options priced at 26.0p to John Jasper and 250,000 share options priced at 26.0p to both Darren Xiberras and Bernadette Walsh.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Annual 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 to prepare consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs) and parent company financial statements under United Kingdom Generally Accepted Accounting Practice (UK GAAP). The financial statements are required by law to give a true and fair view of the state of affairs of the Group and Company 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 judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Group's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Directors' Report *continued*

EMPLOYEE INVOLVEMENT

The Group has continued its practice of keeping employees informed of matters affecting them as employees and the financial and economic factors affecting the performance of the Group.

This is achieved through consultations with employee representatives.

DISABLED EMPLOYEES

Applications for employment by disabled persons are given full and fair consideration for all vacancies in accordance with their particular aptitudes and abilities. In the event of employees becoming disabled, every effort is made to accommodate their requirements and disabilities in order that their employment with the Group may continue.

It is the policy of the Group that training, career development and promotion opportunities should be available to all employees.

PAYMENT POLICY AND PRACTICE

It is the Group's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and abide by them. Trade creditors at the year end amount to 53 days (2008: 88 days) of average supplies for the year.

CHARITABLE DONATIONS

The Group made no charitable donations in the year (2008: Nil).

CREST

Supporta plc share dealings have been settled on CREST since the admission of the ordinary shares to AIM. CREST is the computerised system for the settlement of share dealings on the London Stock Exchange. It reduces the amount of documentation required and also makes the trading of shares faster and more secure. CREST enables shares to be held in electronic form instead of the traditional share certificates. CREST is voluntary, and shareholders can keep their share certificates if they wish. This may be especially preferable for shareholders who do not trade frequently.

AUDITORS

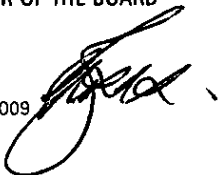
Grant Thornton UK LLP have indicated that they are willing to continue in office. A resolution to reappoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

S Birks

Secretary

22 June 2009



Corporate Governance Statement

INTRODUCTION

Supporta plc is an AIM Listed Company and while the AIM rules do not require the Group to comply with any specific corporate governance principles, the Group adopts generally accepted corporate governance good practice wherever size and resources permit.

THE BOARD OF DIRECTORS

The Group supports the concept of an effective Board leading and controlling the Group. The Board is responsible for approving Group policy and strategy. It meets periodically and has a schedule of matters specifically reserved to it for decision. Management supplies the Board with appropriate and timely information and the Directors are free to seek any further information they consider necessary.

The current Board consists of three executive Directors and two Non-executive Directors. The Non-executive Directors are independent of management and any business or other relationship which could interfere with the exercise of their independent judgment. The Non-executive Directors provide a strong independent element on the Board and bring experience at a senior level to business operations and strategy. The Non-executive Chairman of the Board is Dr. C Grace and the Group Chief Executive is J Jasper.

RELATIONS WITH SHAREHOLDERS

The Group values the views of its shareholders and recognises their interest in the Group's strategy and performance, Board membership and quality of management. It therefore holds regular meetings and presentations to its institutional shareholders to discuss objectives.

The Annual General Meeting (AGM) is used to communicate with private investors and they are encouraged to participate. The Chairman of the Audit and Remuneration Committees is available to answer questions. Separate resolutions are proposed on each issue so that they can be given proper consideration and there is a resolution to approve the annual report and accounts. The Company counts all proxy votes and will indicate the level of proxies lodged on each resolution, after it has been dealt with by a show of hands.

ACCOUNTABILITY AND AUDIT

The Board seeks to present a balanced and understandable assessment of the Group position and prospects in all interim and price-sensitive reports, reports to regulators and in the information required to be presented by statute.

The Audit Committee comprises Dr. C Grace and N Scholte who are Non-executive Directors. The terms of reference of the Committee include keeping under review the scope and results of the external audit and its cost effectiveness. The Committee reviews the independence and objectivity of the external auditors. This includes reviewing the nature and extent of non-audit services supplied by the external auditor to the Group, seeking to balance objectivity and value for money.

INTERNAL CONTROL

The Board of Directors has overall responsibility for the Group's system of internal control and for reviewing its effectiveness. The risk management process and systems of internal control are designed to manage rather than eliminate the risk of failure to achieve the Group's objectives. It should be recognised that such systems can only provide reasonable and not absolute assurance against material misstatement or loss.

ASSESSMENT OF BUSINESS RISK

A system of business risk identification, assessment and evaluation is in place within the management process throughout the Group. Strategic risks are regularly reviewed by the Board. Risks relating to the key activities within the subsidiary operating units are assessed continuously.

Corporate Governance Statement *continued*

CONTROL ENVIRONMENT

The Group's operating procedures include a comprehensive system for reporting financial and non-financial information to the Board, including:

- preparation of three-year strategy plans for business development;
- preparation and review of annual budgets; and
- review of the business at each Board meeting, focusing on any new risks arising (for example key changes in the market).

CONTROL PROCEDURES

Detailed operational procedures have been developed for each of the Group's operating businesses that embody key controls. The implications of changes in law and regulations are taken into account within these procedures.

MONITORING PROCESSES

There are clear procedures for monitoring the system of key controls. The most significant component is a review by the Audit Committee of the process for identifying and assessing risks and the effectiveness of controls.

The Board has considered the need for an internal audit function but has decided that this is not justified at present. However, it will keep the decision under review on at least an annual basis.

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Business Review on page 16 and the Chief Executive's Report on pages 8 to 11. The financial position of the group, its cash flows, liquidity position and borrowing facilities are described in the Finance Director's Report on pages 12 to 13. In addition note 22 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

As disclosed in note 20 to the financial statements, the Group meets its day to day working capital requirements through a working capital facility that is due for renewal on 31 December 2011.

Due to the nature of the Group's operations a high proportion of Group revenues are derived from the UK public sector under long term contracts. This gives the Group a high visibility over future income streams and limited exposure to bad debt risk.

However, the current economic conditions create uncertainty particularly over (a) the level of demand for the Group's services as public sector finances are likely to become more constrained; (b) the ability of customers to pay their debts within normal payment terms; and (c) the availability of bank finance in the foreseeable future.

The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current facility. The Group will open renewal negotiations with the bank in due course and has at this stage not sought any written commitment that the facility will be renewed. However, the Group has held discussion with its bankers about its future borrowing needs and no matters have been drawn to its attention to suggest that renewal may not be forthcoming on acceptable terms.

After making enquiries, the Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTORS' REMUNERATION

The Board recognises that Directors' remuneration is of legitimate concern to the shareholders and is committed to following current best practice. The particulars of the remuneration of the Directors and their interests are set out in the Directors' Report. The Remuneration Committee comprises Dr. C Grace and N Scholte.

Report of the Independent Auditor to the Members of Supporta plc

We have audited the Group financial statements of Supporta plc for the year ended 31 March 2009 which comprise the consolidated income statement, the consolidated statement of recognised income and expense, the consolidated balance sheet, the consolidated cash flow statement, the principal accounting policies and notes 1 to 35. These Group financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the parent company financial statements of Supporta plc for the year ended 31 March 2009.

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 Directors' responsibilities for preparing the Annual Report and the Group financial statements in accordance with United Kingdom law and International Financial Reporting Standards (IFRSs) as adopted by the European Union are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the Group 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 Group financial statements give a true and fair view and whether the Group 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 Directors' Report is consistent with the financial statements. The information given in the Directors' Report includes that specific information presented in the Business Review that is cross referred from the Business Review section of the Directors' Report.

In addition we report to you if, in our opinion, we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited Group financial statements. The other information comprises only the Financial Highlights, the Chairman's Statement, the Chief Executive's Report, the Financial Director's Report, the Directors' Report and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Group financial statements. Our responsibilities do not extend to any other information.

BASIS OF AUDIT OPINION

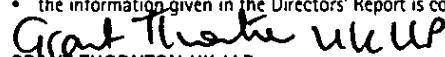
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Group financial statements. It also includes an assessment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

OPINION

In our opinion:

- the Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the European Union, of the state of the Group's affairs as at 31 March 2009 and of its loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.


GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
OXFORD
22 June 2009

Consolidated Income Statement

for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
CONTINUING OPERATIONS			
Revenue		53,469	46,233
Cost of sales		(38,760)	(33,882)
GROSS PROFIT		14,709	12,351
Administrative expenses before share-based payment charge, impairment, amortisation and exceptional items		(9,645)	(8,755)
OPERATING PROFIT BEFORE SHARE-BASED PAYMENT CHARGE, IMPAIRMENT, AMORTISATION AND EXCEPTIONAL ITEMS		5,064	3,596
Share-based payment charge, impairment, amortisation and exceptional items	4	(6,364)	(1,936)
OPERATING (LOSS)/PROFIT	3	(1,300)	1,660
Finance income	5	428	471
Finance costs	5	(1,953)	(1,880)
(LOSS)/PROFIT BEFORE TAXATION		(2,825)	251
Taxation	7	300	(272)
LOSS FOR THE YEAR FROM CONTINUING OPERATIONS		(2,525)	(21)
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	8	(10,910)	(1,571)
LOSS FOR THE YEAR ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT		(13,435)	(1,592)
LOSS PER SHARE			
From continuing and discontinuing operations	9		
- basic		(15.70)p	(2.24)p
- diluted		(15.70)p	(2.24)p
LOSS PER SHARE			
From continuing operations	9		
- basic		(2.95)p	(0.03)p
- diluted		(2.95)p	(0.03)p

The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Statement of Recognised Income and Expense

for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
LOSS FOR THE YEAR		(13,435)	(1,592)
Actuarial gain on defined benefit scheme	25	510	487
Deferred tax on actuarial gain	23	(143)	(143)
Fair value losses on cash flow hedges		(1,128)	(87)
Recognised deferred tax on hedge		316	–
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE YEAR		(13,880)	(1,335)
ATTRIBUTABLE TO THE EQUITY HOLDERS OF THE PARENT		(13,880)	(1,335)

The accompanying accounting policies and notes form an integral part of these financial statements.


Consolidated Balance Sheet

as at 31 March 2009

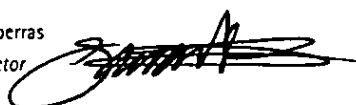
	Notes	2009 €'000	2008 €'000
NON-CURRENT ASSETS			
Goodwill	11	31,992	43,852
Other intangible assets	12	2,685	3,071
Property, plant and equipment	13	857	975
Deferred tax asset	23	1,147	891
Derivative financial instruments		-	22
		36,681	48,811
CURRENT ASSETS			
Trade and other receivables	15	9,269	12,956
Cash and cash equivalents	16	170	52
		9,439	13,008
Non-current assets classified as held for sale	8	-	185
TOTAL ASSETS		46,120	62,004
CURRENT LIABILITIES			
Financial liabilities	17	(1,810)	(7,795)
Trade and other payables	18	(6,962)	(8,012)
Current tax liabilities		(222)	(696)
Provisions	24	(386)	(150)
Derivative financial instruments	22	(402)	-
		(9,782)	(16,653)
NON-CURRENT LIABILITIES			
Financial liabilities	19	(16,064)	(12,280)
Provisions	24	(53)	(172)
Deferred tax liabilities	23	(485)	(817)
Retirement benefit obligations	25	(2,721)	(3,181)
Derivative financial instruments	22	(704)	-
		(20,027)	(16,450)
TOTAL LIABILITIES		(29,809)	(33,103)
NET ASSETS		16,311	28,901
EQUITY			
Share capital	26	4,323	4,077
Share premium	34	35,739	34,873
Share-based payment reserve	34	815	637
Retained losses	34	(23,460)	(10,708)
Hedging reserve	34	(1,106)	22
		16,311	28,901

The financial statements were approved by the Board of Directors on 22 June 2009.

J Jasper
Director



D Xiberras
Director



The accompanying accounting policies and notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

for the year ended 31 March 2009

	Notes	2009 £'000	2008 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from operations	35	3,388	1,898
Finance income		74	75
Finance costs		(1,414)	(1,383)
Payment of income taxes		(898)	(952)
Receipt of income taxes		324	-
NET CASH IN/(OUT) FLOWS FROM OPERATING ACTIVITIES		1,474	(362)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of subsidiary net of cash acquired	28	(84)	(3,683)
Purchase of property, plant and equipment and intangibles		(1,236)	(887)
Proceeds from sale of property, plant and equipment		-	97
Proceeds from sale of subsidiaries	29	185	3,515
Payments in respect of previous acquisitions		(1,756)	(4,462)
NET CASH OUTFLOWS FROM INVESTING ACTIVITIES		(2,891)	(5,420)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of share capital		1,112	5,260
Proceeds/(repayments) of long-term borrowings		2,226	(335)
(Decrease)/increase in working capital facility		(1,999)	4
Receipt/(payment) of finance lease liabilities		196	(35)
Reduction in loan note		-	(888)
NET CASH INFLOWS FROM FINANCING ACTIVITIES		1,535	4,006
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		118	(1,776)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	16	52	1,828
CASH AND CASH EQUIVALENTS AT END OF YEAR	16	170	52

The accompanying accounting policies and notes form an integral part of these financial statements.

Group Accounting Policies

GENERAL INFORMATION

Supporta plc is a public limited company ('Company') incorporated in the United Kingdom, whose shares are publicly traded on the Alternative Investment Market (AIM). The Company is domiciled in the United Kingdom and its registered address is Eversheds House, Great Bridgewater Street, Manchester, M1 5ES, United Kingdom.

The Group's principal activities are the provision of outsourcing services to the public sector. These services are typically provided under long term contracts or framework agreements, with shorter term consultancy assignments being delivered under letters of engagement. Our Supporta Care Division specialises in the provision of domiciliary care services which are designed to help people live independently in their own homes. The Supporta Professional Services division delivered Business Process Outsourcing, Land & Property Consultancy & Records Management services through the brands of Supporta TerraQuest and Supporta Datacare during the course of 2008/09.

GOING CONCERN ACCOUNTING POLICY

Despite net current liabilities of £343,000 (2008: £3,645,000) the directors have prepared the financial statements on the going concern basis as they believe that the Group can continue to meet its liabilities as and when they fall due. The Directors consider the Group to be a going concern given the trading results since year end, the anticipated future sales and profitability of the Group and the continued financial support from the Group's bankers.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with and comply with International Financial Reporting Standards (IFRS). The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Supporta plc and all of its subsidiary undertakings for the year, made up to 31 March each year.

In preparing the consolidated financial statements, any intra-Group balances, unrealised gains and losses or income and expenses arising from intra-Group trading are eliminated. Where accounting policies used in individual financial statements of a subsidiary company differ from Group policies, adjustments are made to bring these policies in line with Group policies.

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies to obtain economic benefit to the Group. Subsidiary companies acquired during the year are consolidated using the purchase method. The results of subsidiary companies acquired are included in the consolidated income statement from the effective date of acquisition.

The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at fair value at the acquisition date.

The excess of cost of acquisition over the fair values of the Group's share of identifiable net assets acquired is recognised as goodwill. Any deficiency of the cost of acquisition below the fair value of identifiable net assets acquired (i.e. discount on acquisition) is recognised directly in the income statement.

Unrealised gains on transactions between Group and its subsidiaries are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

EXCEPTIONAL ITEMS

Exceptional items are disclosed where these are material and considered necessary to explain the underlying financial performance of the Group. They are either one off in nature or necessary elements of expenditure to derive future benefits for the Group which have not been capitalised in the balance sheet.

Where redundancy costs relate to a restructuring of the Group they are included in exceptional items.

REVENUE RECOGNITION

Group revenue is the fair value of the consideration received or receivable by the Group for goods supplied and services provided, excluding VAT and trade discounts.

Revenue generated in Supporta Care is attributable to the provision of both home care services and qualified social care staff, primarily to local authorities.

Group Accounting Policies *continued*

REVENUE RECOGNITION (continued)

Revenue generated by Supporta Professional Services is attributable to the provision of architectural and engineering consultancy services primarily to Registered Social Landlords and the Home Office, and on business process outsourcing and consultancy.

Where services are provided on annual contracts, revenue is spread evenly over the duration of the contract. Where annual contracts do not apply then revenue is recognised at fair value by reference to the estimated percentage of completion of the provision of services.

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

SEGMENTAL REPORTING

A business segment is a group of assets and operations that provide a product or service and that is subject to risks and returns that are different from other business segments.

FINANCE COSTS

Finance costs comprise interest payable, net and finance charges on finance leases. Interest payable is recognised in the income statement as it accrues using the effective interest method.

INTANGIBLE ASSETS

Intangible assets purchased separately from a business are capitalised at their cost.

Customer related intangibles

The Group makes an assessment of the fair value of intangible assets arising on business combinations. An intangible asset will be recognised as long as the asset is identifiable and its fair value can be measured reliably. Amortisation is provided on the fair value of the asset and is calculated on a straight-line basis over its useful life, the range of which is between one and nine years.

Goodwill

Goodwill on acquisitions being the excess of the fair value of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities acquired is capitalised. Goodwill is tested for impairment upon indication of impairment and reviewed on an annual basis.

Computer software costs

Expenditure on the development of new software products is charged to the income statement in the year in which it is incurred with the exception of expenditure on the development of certain new product projects where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalised and amortised over a period not longer than three years following the completion of the product project.

Where computer software is not an integral part of a related item of computer hardware, the software is treated as an intangible asset. This is then capitalised on the basis of costs incurred to acquire and bring to use the specific software. Amortisation is provided by equal annual instalments over its expected useful life of three years, down to its residual value.

Computer software licences capitalised are amortised by equal annual instalments over their expected useful life of three years, down to their residual values. Amortisation is recognised in the 'Share-based payment charge, impairment, amortisation and exceptional items' line in the consolidated income statement.

PROPERTY, PLANT & EQUIPMENT

Property, plant and equipment assets are stated at cost less accumulated depreciation and any recognised impairment loss.

Depreciation is charged so as to write off the cost less residual value of assets over their estimated useful economic lives. The range of estimated useful lives for each major asset category, which are reviewed annually, are:

Leasehold property	-	Term of the lease
Office equipment, fixtures and fittings (including computer equipment) and motor vehicles	-	3 to 8 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Group Accounting Policies *continued*

PROPERTY, PLANT & EQUIPMENT (continued)

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

IMPAIRMENT OF ASSETS

At each balance sheet date the Group reviews the carrying value of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

Goodwill is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined for goodwill by assessing the recoverable amount of the cash generating unit (or group of cash generating units) to which the goodwill relates. Where the recoverable amount of the cash generating unit is less than the carrying amount of the cash generating unit to which goodwill has been allocated, an impairment loss is recognised.

Where the asset does not generate cash flows that are independent from other assets the Group estimates the recoverable amount of the cash generating unit to which the asset belongs. A cash generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, for which the estimates of future cash flows have not been adjusted. Any resulting changes are recognised in the income statement in the period to which they relate.

Except in the case of goodwill, an impairment loss is only reversed if there is a subsequent increase in the recoverable amount that can be related objectively to an event occurring after the impairment loss was recognised. An impairment loss in respect of goodwill is not subsequently reversed.

LEASING

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the Group. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets of the Group at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease. The corresponding liability is to be included in the balance sheet as a finance lease obligation. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the income statement over the period of the lease.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are also spread on a straight-line basis over the lease term.

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense.

The income tax payable is based on an estimation of the amount due on the taxable profit for the year. Taxable profit is different from net profit as reported in the income statement because it excludes items of income or expenditure which are not taxable or deductible in the year as a result of either the nature of the item or the fact that it is taxable or deductible in another period. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantially enacted by the balance sheet date.

Deferred tax is accounted for on the basis of temporary differences arising from the differences between the tax base and accounting base of assets and liabilities.

Deferred tax is recognised for all taxable temporary differences, except to the extent where it arises from the initial recognition of an asset or liability in a transaction that is not a business combination. Deferred tax is not provided for on the initial recognition of goodwill. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised.

Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case it is dealt with within equity. It is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled.

Group Accounting Policies *continued*

FINANCIAL INSTRUMENTS

Financial assets or liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Classification of financial instruments

Financial instruments are classified as financial assets, financial liabilities or equity instruments.

Financial instruments issued by the Group are treated as equity only to the extent that they meet the following two conditions:

- They include no contractual obligations upon the Group to deliver cash or other financial assets that are potentially unfavourable to the Group; and
- Where the instrument will or may be settled in the Group's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Group's own equity instruments or is a derivative that will be settled by the Group exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial instruments that are classified as equity are dividends and are recorded directly in equity. Finance payments associated with financial liabilities are dealt with as part of finance costs.

Recognition and valuation of financial assets

Loans and receivables

Trade receivables

Trade receivables do not carry interest. They are initially recorded at fair value and are subsequently stated at their amortised cost using the effective interest method, reduced by appropriate allowances for estimated irrecoverable amount.

Provision against trade receivables is made when there is objective evidence that the Group will not be able to collect all amounts due to it in accordance with the original terms of the receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and at bank. Cash and cash equivalents excludes working capital facilities.

Amortised cost

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Bank borrowings

Interest bearing bank loans and overdrafts are recorded at their fair value. Finance charges are allocated to the income statement using an effective interest rate, on the outstanding carrying value of the instrument.

Trade payables

Trade payables are not interest bearing, are initially recorded at fair value and thereafter at their amortised cost, using the effective interest method.

RETIREMENT BENEFITS

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Any contributions unpaid at the balance sheet date are included as an accrual as at that date. The Group has no further payment obligations once the contributions have been paid.

The Group also operates a defined benefit pension plan. For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at each balance sheet date.

Group Accounting Policies *continued*

RETIREMENT BENEFITS (continued)

Actuarial gains and losses arising are recognised directly in equity in the Statement of Recognised Income and Expense in the period in which they arise.

The amount recognised in the balance sheet represents the difference between the fair value of the plan assets and the present value of the defined benefit obligation as adjusted for unrecognised past service costs, at the balance sheet date.

Gains and losses on curtailments/settlements are recognised in the income statement when the curtailment/settlement occurs.

SHARE-BASED PAYMENT

The Group has applied the requirements of IFRS 2 'Share-based Payment'. In accordance with the IFRS 1 exemption, IFRS 2 has been applied to all grants of equity instruments after 7 November 2002 that had not been vested prior to 1 April 2006.

The Group issues equity-settled share-based payments to certain employees, whereby employees render services in exchange for share options.

Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date using an option-pricing model (Black-Scholes) and excludes the impact of non-market vesting conditions.

Equity-settled share-based payments are expensed in the income statement with a corresponding credit to 'share-based payment reserve'. Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

PROVISIONS

The Group has provisions in place for onerous leases and dilapidations. The provisions are recognised when the Group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated. Any differences between expectations and the actual future liability will be accounted for in the period when such a determination is made.

ADOPTED IFRS NOT YET APPLIED

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IAS 27 Consolidated and Separate Financial Statements (revised 2008) – (effective 1 July 2009)
- Amendment to IAS 39 Financial Instruments: Recognition and Measurement – Eligible Hedged Items (effective 1 July 2009)
- Amendment to IAS 39 Reclassification of Financial Assets: Effective date and Transition (effective 1 July 2008 – essentially a minor correction to the recent IAS 39 amendment)
- Amendment to IFRS 7 Financial Instruments: Disclosures – Improving Disclosures About Financial Instruments (effective 1 January 2009)
- Embedded Derivatives – Amendments to IAS 39 and IFRIC 9 (effective for annual periods ending on or after 30 June 2009)
- IFRS 3 Business Combinations (revised 2008) (effective 1 July 2009)
- IFRIC 12 Service Concession Arrangements (IASB effective date 1 January 2008)
- IFRIC 15 Agreements for the Construction of Real Estate (effective 1 January 2009)
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation (effective 1 October 2008)
- IFRIC 17 Distributions of Non-cash Assets to Owners (effective 1 July 2009)
- IFRIC 18 Transfers of Assets from Customers (effective prospectively for transfers on or after 1 July 2009)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Group.

Notes to the Consolidated Financial Statements

for the year ended 31 March 2009

1 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

Areas of judgement

Revenue recognition on projects

At the year end, there were projects which were partially complete. In accordance with the Group's accounting policy revenue and profit are recognised in accordance with the stage of completion of the contract. This is based on costs incurred to date and an estimate of future costs.

Key assumptions and estimates

Share-based payments

The charge to the income statement in relation to options and incentive plans is based on the Black-Scholes valuation technique. This technique requires a number of assumptions to be made such as those in relation to share price volatility, movement in interest rates, dividend yields and staff behavioural patterns. Details of these assumptions are disclosed in note 27.

Property provisions

The Group occupies leasehold properties for which a provision is made for dilapidations or other future expenditure commitments. These provisions reflect conditions existing at the year end, and are judgmental by their nature.

Impairment

The impairment tests require a number of assumptions and judgments to be made. An explanation of these judgments and estimates are detailed in the impairment accounting policy.

Retirement benefit obligations

Assumptions are used in the actuarial valuation of the Group's defined benefit pension schemes. Details of these assumptions are disclosed in note 25.

Pension fund liability

Statistical and actuarial methods are used to anticipate future events in calculating the expenses and liabilities related to the pension plan. These calculations include assumptions about the discount rate, expected return on plan assets and the rate of future pension increases. Statistical information such as withdrawal and mortality rates are used in estimated expenses and liabilities under the plans. Because of changing market and economic conditions, the expenses and liabilities actually arising from these plans in the future may differ materially from the estimates made on the basis of these actuarial assumptions. Details of these assumptions are disclosed in note 25.

Recognition of deferred tax assets

To compute provisions for taxes, estimates have to be applied. These estimates involve assessing the profitability that deferred tax assets resulting from deductible temporary difference can be utilised to offset taxable income.

Notes to the Consolidated Financial Statements *continued*

for the year ended 31 March 2009

2 SEGMENTAL INFORMATION

Business segments

For management purposes the Group is currently organised into two operating divisions – Supporta Care and Supporta Professional Services and Corporate. These divisions are the basis on which the Group reports its primary segment information.

Principal activities are as follows:

Supporta Care: provision of home care services.

Supporta Professional Services: provision of planning, project management, land management, business process outsourcing, system support, managed services, consultancy, data archiving and scanning services.

Corporate: provision of central management services to the Group.

In prior years the Group was also involved in the provision of:

- Architectural and Engineering services to the private and public sectors – these operations were discontinued from 24 March 2009.
- Payroll services to NHS organisations. That operation was discontinued from 4 May 2007.

Year ended 31 March 2009

	Continuing Operations £'000			Discontinued Operations £'000			
	Supporta Care	Supporta Professional Services	Corporate	Architecture & Engineering	Payroll Division	Eliminations £'000	Consolidated £'000
REVENUE							
External sales	41,949	11,520	-	3,167	-	-	56,636
Inter-segment sales	-	239	-	71	-	(310)	-
Total revenue	41,949	11,759	-	3,238	-	(310)	56,636
Operating profit/(loss) before share-based payment charge, impairment, amortisation and exceptional items	4,670	1,413	(1,019)	(621)	-	-	4,443
Operating (loss)/profit	4,076	(3,191)	(2,185)	(1,366)	-	-	(2,666)
Net finance costs	(2)	(182)	(1,341)	-	-	-	(1,525)
(Loss)/profit before tax	4,074	(3,373)	(3,526)	(1,366)	-	-	(4,191)
Corporation tax Expense	-	300	-	-	-	-	300
Loss on disposal of Discontinued Operations	-	-	-	(9,544)	-	-	(9,544)
(Loss)/profit after tax and Discontinued Operations	4,074	(3,073)	(3,526)	(10,910)	-	-	(13,435)
OTHER INFORMATION							
Capital additions*	452	865	3	10	-	-	1,330
Depreciation and Amortisation	401	813	46	72	-	-	1,332
Impairment losses recognised in income	-	3,652	-	-	-	-	3,652

Inter segment sales are charged at prevailing market rates.

- * Capital additions comprise additions to property, plant and equipment and intangible assets including additions resulting from acquisitions through business combinations.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

2 SEGMENTAL INFORMATION (CONTINUED)

Year ended 31 March 2008

	Continuing Operations £'000			Discontinued Operations £'000			Consolidated £'000
	Supporta Care	Supporta Professional Services	Corporate	Architecture & Engineering	Payroll Division	Eliminations £'000	
REVENUE							
External sales	34,326	11,907	–	4,530	330	–	51,093
Inter-segment sales	–	472	–	104	–	(576)	–
Total revenue	34,326	12,379	–	4,634	330	(576)	51,093
Operating profit/(loss) before share-based payment charge, impairment, amortisation and exceptional items	3,955	2,358	(2,053)	(233)	4	–	4,031
Operating profit/(loss)	3,449	1,055	(2,844)	(637)	(696)	–	327
Net finance costs	(5)	(94)	(1,310)	13	–	–	(1,396)
(Loss)/profit before tax	3,444	961	(4,154)	(624)	(696)	–	(1,069)
Corporation tax expense	(252)	(20)	–	(5)	(413)	–	(690)
Profit on disposal of Discontinued Operations	–	–	–	–	167	–	167
(Loss)/profit after tax and Discontinued Operations	3,192	941	(4,154)	(629)	(942)	–	(1,592)
OTHER INFORMATION							
Capital additions*	1,574	106	22	–	–	–	1,702
Depreciation and Amortisation	471	1,073	–	75	–	–	1,619
Impairment losses recognised in income	–	–	–	218	–	–	218

Inter segment sales are charged at prevailing market rates.

- * Capital additions comprise additions to property, plant and equipment and intangible assets including additions resulting from acquisitions through business combinations.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

2 SEGMENTAL INFORMATION (CONTINUED)

Year ended 31 March 2009

	Continuing Operations £'000			Discontinued Operations £'000			Consolidated £'000
	Supporta Care	Supporta Professional Services	Corporate	Architecture & Engineering	Payroll Division	Eliminations £'000	
BALANCE SHEET							
Assets	40,517	8,193	41,619	-	-	(44,209)	46,120
Liabilities	(26,515)	(9,302)	(31,130)	-	-	37,138	(29,809)

Segment assets consist primarily of property, plant and equipment, intangible assets, financial assets investments and other operating assets.

Segment liabilities consist primarily of operating liabilities.

Year ended 31 March 2008

	Continuing Operations £'000			Discontinued Operations £'000			Consolidated £'000
	Supporta Care	Supporta Professional Services	Corporate	Architecture & Engineering	Payroll Division	Eliminations £'000	
BALANCE SHEET							
Assets	38,450	17,065	53,887	5,907	-	(53,305)	62,004
Liabilities	(26,790)	(11,284)	(31,201)	(5,625)	-	41,797	(33,103)

Segment assets consist primarily of property, plant and equipment, intangible assets, financial assets investments and other operating assets.

Segment liabilities consist primarily of operating liabilities.

3 OPERATING (LOSS)/PROFIT

	2009 £'000	2008 £'000
(Loss)/profit for the year has been arrived at after charging:		
Amortisation of other intangible assets	988	949
Impairment losses (see note 11)	3,652	-
Depreciation		
- owned assets	249	343
- leased assets	23	40
Rental under operating leases	1,174	1,275
Staff costs (see note 6)	42,528	46,426
Auditor's remuneration in respect of both audit and non-audit services:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	30	52
Fees payable to the Company's auditor and its associates for other services:		
- The audit of the Company's subsidiaries pursuant to legislation	66	82
- Other services pursuant to legislation	3	7
- Tax services	38	27
	137	168

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

4 SHARE-BASED PAYMENT CHARGE, IMPAIRMENT, AMORTISATION AND EXCEPTIONAL ITEMS

	2009 £'000	2008 £'000
Share-based payment charge	178	262
Amortisation of other intangible assets	988	949
Impairment provision	3,652	-
Exceptional items	1,546	725
	6,364	1,936
Exceptional items represent:		
Redundancy costs	491	232
Restructure and relocation costs	840	86
Abortive acquisitions	-	41
Abortive disposals	78	80
Costs incurred in relation to offers for the acquisition of the entire share capital of the Group	137	-
Cost of preparing IFRS conversion	-	102
Refinance costs	-	157
IAS 19 pension fund curtailment loss	-	27
	1,546	725

5 NET FINANCE COSTS

	2009 £'000	2008 £'000
Interest on bank loans and overdrafts	1,406	1,367
Other interest	7	14
Finance charges in respect of finance leases	1	2
Interest on pension scheme liabilities	539	497
	1,953	1,880
Expected return on pension scheme assets	(354)	(409)
Interest receivable and similar income:		
Bank interest	(74)	(62)
	(428)	(471)
	1,525	1,409

6 STAFF COSTS

Staff costs during the year were as follows:

	2009 £'000	2008 £'000
Wages and salaries	38,686	42,706
Social security costs	3,022	3,299
Redundancy	491	270
Pension costs	329	151
	42,528	46,426

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

6 STAFF COSTS (CONTINUED)

The average number of employees of the Group during the year was as follows:

	2009 No.	2008 No.
Directors	6	7
Supporta Care – administration	242	198
Supporta Care – home care staff	3,033	1,968
Supporta Professional Services	200	287
Corporate	7	17
	3,488	2,477

One Director (2008: one) is accruing benefits under the money purchase scheme.

The highest paid Director in the year received remuneration of £346,000 (2008: £175,000).

The pension contributions of the highest paid Director were £Nil (2008: £Nil)

7 TAXATION

	Continuing Operations		Discontinuing Operations		Total	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Current tax:						
UK Corporation						
Tax on (loss)/profit	290	440	–	418	290	858
Adjustments in respect of previous periods	(175)	(258)	–	–	(175)	(258)
Total current tax	115	182	–	418	115	600
Deferred tax:						
Originating and reversal of temporary differences	(415)	90	–	–	(415)	90
Tax on (loss)/profit	(300)	272	–	418	(300)	690

Corporation tax is calculated at 28 per cent (2008: 28 per cent) of the estimated assessable profit for the year.

The total tax charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2009 £'000	2008 £'000
(Loss)/profit before tax from continuing operations	(2,825)	251
Tax at the UK corporation tax rate of 28% (2008: 28%)	(791)	70
Tax effect of amortisation and impairment	1,299	327
Tax effect of expenses that are not deductible in determining taxable profit	(218)	22
Tax effect of utilisation of tax losses not previously recognised	–	1
Decrease in opening deferred tax liability resulting from a reduction in tax rates	–	20
Adjustments to tax charge in respect of prior periods	(175)	(258)
Deferred tax movement	(415)	90
Tax (credit)/expense	(300)	272

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

8 DISCONTINUED OPERATIONS

On 24 March 2009, the Group entered into a sale agreement to dispose of Supporta Professional Services Limited and Bay Associates Consulting Limited. The disposal was completed on 24 March 2009, on which date control passed to the acquirer.

On 2 May 2007, the Group entered into a sale agreement to dispose of the payroll operation of Supporta Services Limited. The disposal was completed on 4 May 2007, on which date control passed to the acquirer.

The results of the discontinued operations which have been included in the consolidated income statement, were as follows:

	2009 £'000	2008 £'000
Revenue	3,167	4,860
Cost of sales	(2,332)	(3,205)
Gross profit	835	1,655
Administrative expenses	(2,201)	(2,590)
Impairment of goodwill	-	(218)
Loss on disposal	(9,544)	-
Loss before tax	(10,910)	(1,153)
Attributable tax expense	-	(418)
Net loss attributable to discontinued operations	(10,910)	(1,571)

The attributable tax expenses in 2008 includes £0.58m relating solely to the disposal of the Payroll trade of Supporta Services Limited.

Details of disposed of assets and liabilities is contained within note 29.

During the year the subsidiaries Supporta Professional Services Limited and Bay Associates Consulting Limited expensed £1.80m (2008: contributed £0.84m) to the Group net operating cashflows, paid £0.41m (2008: £0.20m) in respect of investing activities and received £2.40m (2008: paid £0.89m) in respect of financing activities.

The effect of discontinued operations on segment results is disclosed in the segmental results note.

The major classes of assets and liabilities comprising the operations classified as held for sale are as follows:

	2009 £'000	2008 £'000
Goodwill	-	185

Notes to the Consolidated Financial Statements *continued*

for the year ended 31 March 2009

9 LOSS PER SHARE AND ADJUSTED EARNINGS PER SHARE

	2009 £'000	2008 £'000
Shares in issue at 1 April	81,547	67,402
Shares issued 4 December 2007	-	2,602
Shares issued 2 January 2008	-	11,543
Shares issued 3 June 2008	4,910	-
Shares in issue at 31 March	86,457	81,547
Calculation of weighted average number of shares:		
Opening number of shares	81,547	67,402
Shares issued 4 December 2007 – 2,602,000 x (118 days/365 days)	-	841
Shares issued 2 January 2008 – 11,543,000 x (90 days/365 days)	-	2,846
Shares issued 3 June 2008 – 4,910,000 x (301 days/365 days)	4,049	-
	85,596	71,089
Weighted average number of shares for basic earnings per share (000's of shares)	85,596	71,089
Effect of dilutive potential ordinary shares:		
Share options (000's of shares)	-	-
Weighted average number of shares for diluted earnings per share (000's of shares)	85,596	71,089
For basic earning per share:		
Loss for the financial period from continuing and discontinued operations	(13,435)	(1,592)
Add back loss for the period from discontinued operations	10,910	1,571
Loss for the financial period from continuing operations	(2,525)	(21)
Loss per share from continuing and discontinued operations:		
– basic	(15.70)p	(2.24)p
– diluted	(15.70)p	(2.24)p
Loss per share from continuing operations:		
– basic	(2.95)p	(0.03)p
– diluted	(2.95)p	(0.03)p
Loss per share from discontinued operations:		
– basic	(12.75)p	(2.21)p
– diluted	(12.75)p	(2.21)p
For adjusted earnings per share:		
Loss for the financial period	(13,435)	(1,592)
Add back loss for the period from discontinued operations	10,910	1,571
Add back share-based payment charge	178	262
Add back amortisation of other intangible assets	988	949
Add back impairment provision	3,652	218
Add back exceptional items (adjusted for tax)	1,342	508
Adjusted earnings for the financial period	3,635	1,916
Basic adjusted earnings per share	4.25p	2.69p
Diluted adjusted earnings per share	4.25p	2.69p

10 DIVIDENDS

No dividend is proposed in respect of the year ending 31 March 2009 (2008: £Nil).

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

11 GOODWILL

	2009 £'000	2008 £'000
Cost:		
At 1 April	47,652	43,957
Additions	1,578	97
Recognised on acquisition of a subsidiary	–	3,598
Disposals of subsidiaries	(9,786)	–
At 31 March	39,444	47,652
Accumulated impairment losses:		
At 1 April	3,800	3,582
Impairment losses for the year	3,652	218
At 31 March	7,452	3,800
Carrying amount:		
At 31 March	31,992	43,852
Additions to Goodwill in the year:		
Purchase of Share Capital in Supporta Professional Services Limited	2,401	
Reduction in Deferred Consideration on Hallam Healthcare (East Midlands) Limited	(1,019)	
Hindsight adjustments in Hallam Healthcare (East Midlands) Limited	196	
	1,578	

The investment in Parys Snowdon Group Limited and SDMS Limited which is now trading as Supporta Services Limited is no longer supported by the profits being generated within the Healthcare unit. An impairment charge of £3.65m is necessary in the year ending 31 March 2009.

The impairment charge is recognised in the consolidated income statement in the 'Share-based payment charge, amortisation and exceptional items' line.

The impairment is recognised in the Supporta Professional Services division and within Records Management CGU.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

11 GOODWILL (CONTINUED)

Goodwill acquired in a business combination is allocated to the cash generating units that are expected to benefit from the business combination. The carrying value of goodwill has been allocated to the following cash generating units:

	Year ended 31 March 2009 £'000	Year ended 31 March 2008 £'000
Goodwill by Division:		
Supporta Care	20,238	21,059
Supporta Professional Services	11,754	22,793
	31,992	43,852
Goodwill by CGU:		
Supporta Care (Farringdon)	1,196	1,196
Supporta Care (Chiswick)	4,208	4,208
Supporta Care (East)	5,769	5,769
Supporta Care (Scotland)	6,840	6,840
Supporta Care (Dudley)	242	242
Supporta Care (Sheffield)	1,981	2,804
TerraQuest	9,062	9,062
Architecture	-	5,033
Engineering	-	2,352
Records Management (Supporta Services and Datacare)	2,694	6,346
	31,992	43,852

Goodwill is not amortised but is tested annually for impairment or more frequently if there are indications that goodwill might be impaired. To the extent that the carrying value exceeds the value in use, determined from estimated discontinued future net cash flows or recoverable amounts, goodwill is written down to the value in use and an impairment charge is recognised.

The recoverable amount of the CGUs has been determined by value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates, and expected changes to selling price and direct costs during future years. A pre-tax discount rate of 10 per cent was used in the value in use calculation. In determining the value in use, cashflows have been increased by 4 per cent to reflect potential growth and changes in selling price and direct costs during future years. This growth rate is based on management's prudent estimate of future changes in the market.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

12 OTHER INTANGIBLE ASSETS

	Software £'000	Customer related £'000	Total £'000
Cost:			
At 31 March 2008	1,321	3,311	4,632
Additions	797	84	881
Disposals	(14)	(223)	(237)
Disposals of subsidiaries	(267)	(71)	(338)
At 31 March 2009	1,837	3,101	4,938
Amortisation:			
At 31 March 2008	811	750	1,561
Amortisation for the period	298	690	988
Eliminated on disposal	(14)	–	(14)
Eliminated on disposal of subsidiaries	(211)	(71)	(282)
At 31 March 2009	884	1,369	2,253
Carrying value:			
At 31 March 2008	510	2,561	3,071
At 31 March 2009	953	1,732	2,685

Software is assumed to have a useful economic life of three years and is amortised accordingly.

Customer related intangible assets have a differing useful economic life ranging from one to nine years based on management expectations and customer commitments and the amortisation policy reflects this.

Customer related intangible assets by company:

	NBV	Amortisation period	Remaining useful economic life
Datacare Business Systems Limited	653	Between 2-7 years	5 years
TerraQuest Solutions Limited	887	Between 1-9 years	7 years
Hallam Healthcare Limited	192	Between 1-3 years	2 years
At 31 March 2009	1,732		

There are no specific securities or restrictions held over the intangible assets.

Notes to the Consolidated Financial Statements *continued*

for the year ended 31 March 2009

13 PROPERTY, PLANT AND EQUIPMENT

	Leasehold property £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation:				
At 31 March 2008	70	1,441	49	1,560
Additions	54	385	–	439
Disposals	(67)	(559)	(23)	(649)
Transfer to non-current assets held for sale and disposal	(1)	(285)	–	(286)
At 31 March 2009	56	982	26	1,064
Accumulated depreciation:				
At 31 March 2008	70	486	29	585
Depreciation charge for the period	1	253	18	272
Disposals	(67)	(306)	(23)	(396)
Eliminated on disposal of subsidiaries	–	(254)	–	(254)
At 31 March 2009	4	179	24	207
Carrying value:				
At 31 March 2008	–	955	20	975
At 31 March 2009	52	803	2	857

Details of securities over the assets of the Group are disclosed in note 17 of these financial statements.

The carrying value of the Group's property, plant and equipment includes an amount of £196,000 (2008: Nil) in respect of assets held under finance leases.

Depreciation expense in respect of assets held under finance leases of £23,000 (2008: £40,000) has been charged to administrative expenses.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

14 SUBSIDIARIES

Details of Supporta plc's subsidiaries at 31 March 2009 are as follows:

Name of subsidiary	Place of incorporation (or registration) and operation	Proportion of ownership interest %	Proportion of voting power held %	Principal activity
Supporta Care Limited	UK	100	100	Home and social care provision
Supporta Services Limited	UK	100	100	Support services
AJH Care Limited	UK	100	100	Home and social care provision
Independent Living Organisation Limited	UK	100	100	Home and social care provision
Supporta Care Scotland Limited (formerly Strathaven Nursing Homes Limited)	UK	100	100	Home and social care provision
Datacare Business Systems Limited	UK	100	100	Data storage and scanning
Terraquest Solutions Limited	UK	100	100	Business process outsourcing and consultancy
Hallam Healthcare	UK	100	100	Home and social care provision
Staff VMS Limited	UK	100	100	Back office services

Supporta Professional Services Limited and Bay Associates Consulting Limited were disposed of on 24 March 2009.

15 TRADE AND OTHER RECEIVABLES

	2009 £'000	2008 £'000
Trade receivables	6,281	6,591
Other receivables	701	662
Prepayments and accrued income	2,287	5,703
	9,269	12,956

The average credit period taken on sales of goods is 34 days (2008: 47 days). An allowance has been made for estimated irrecoverable amounts from the sale of goods £0.04m (2008: £0.52m), based on past default experience. The Directors consider the carrying amount of trade and other receivables approximate their fair value.

The Group holds no collateral against these receivables at the balance sheet date.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

15 TRADE AND OTHER RECEIVABLES (CONTINUED)

The following table provides analysis of trade and other receivables that were past due at 31 March but not impaired. The Group believed that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	2009 £'000	2008 £'000
Up to 30 days	414	811
Between 30 and 60 days	78	117
Between 60 and 90 days	44	94
Over 90 days	121	785
	657	1,807

16 CASH AND CASH EQUIVALENTS

	2009 £'000	2008 £'000
Cash and cash equivalents	170	52

17 CURRENT FINANCIAL LIABILITIES

	2009 £'000	2008 £'000
Bank loans (see note 20)	1,750	5,171
Deferred consideration	-	2,624
Amounts due under finance leases (see note 21)	60	-
	1,810	7,795

The bank loans and overdraft are secured by a fixed and floating charge over all assets of the Group.

Amounts due under finance leases are secured on the assets to which they relate.

18 TRADE AND OTHER PAYABLES

	2009 £'000	2008 £'000
Trade payables	1,751	2,149
Other taxation and social security costs	2,288	2,396
Other payables	823	1,072
Accruals and deferred income	2,100	2,395
	6,962	8,012

19 NON-CURRENT FINANCIAL LIABILITIES

	2009 £'000	2008 £'000
Bank loans (see note 20)	15,928	12,280
Amounts due under finance leases (see note 21)	136	-
	16,064	12,280

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

20 BANK OVERDRAFT AND LOANS

	2009 £'000	2008 £'000
Bank overdraft	-	1,999
Bank loans	17,678	15,452
	17,678	17,451
The borrowings are repayable as follows:		
On demand or within one year	1,750	5,171
In the second year	5,081	3,145
In the third to fifth years inclusive	10,847	9,135
	17,678	17,451
Less: Amount due for settlement within 12 months (shown under current liabilities)	(1,750)	(5,171)
Amount due for settlement after 12 months	15,928	12,280
	2009 %	2008 %
The weighted average interest rates paid were as follows:		
Working capital facility	5.88	7.50
Bank loans	7.60	7.62

Bank loans of £15.14m (2008: £7.13m) have been hedged at fixed interest rates and expose the Group to fair value interest rate risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

The Directors estimate the fair value of the Group's borrowings is not significantly different to the carrying value.

The other principal features of the Group's borrowings are as follows:

- i. Working capital facilities of £2.00m (2008: £2.00m) have been secured by a charge over the Group's assets. The average effective interest rate on the bank overdraft approximates 5.88 per cent (2008: 5.0 per cent) per annum and is determined based on 2.5 per cent plus prime rate.
- ii. The Group has three principal bank loans:
 - a. a loan of £1.40m (2008: £1.55m). The loan was taken out in the year ending 31 March 2007. Repayments commenced on 31 December 2006 and will continue until 31 December 2011. The loan is secured by a fixed and floating charge over the Group's assets. This loan carries interest rate at 2.5 per cent above three-month LIBOR.
 - b. a loan of £5.07m (2008: £6.14m). The loan was taken out in the year ending 31 March 2007. Repayments commenced on 31 December 2006 and will continue until 31 December 2011. The loan is secured by a fixed and floating charge over the Group's assets. This loan carries interest rate at 2.5 per cent above three-month LIBOR.
 - c. a loan of £8.57m (2008: £7.57m). The loan was taken out in the year ending 31 March 2007. Repayments commenced on 31 December 2006 and will continue until 31 December 2011. The loan is secured by a fixed and floating charge over the Group's assets. This loan carries interest rate at 2.5 per cent above three-month LIBOR.

At 31 March 2009 the Group had available £2.07m (2008: £9.43m) of undrawn committed borrowing facilities in respect of which all conditions precedent had been met.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

21 AMOUNTS DUE UNDER FINANCE LEASES

	Minimum lease payments	
	2009 £'000	2008 £'000
Amounts payable:		
Within one year	60	-
Within two to five years	136	-
After five years	-	-
Less future finance charges	196	-
Present value of lease obligations	196	-
Less: Amount due for settlement within 12 months	60	-
Amount due for settlement after 12 months	136	-

22 FINANCIAL INSTRUMENTS

The Group uses financial instruments comprising borrowings, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Group's operations.

The Group's capital includes the capital and long-term loans. Long-term financial projections are prepared and capital requirements are assessed using these projections along with sensitivities. The Group's banking agreements require us to comply with covenants for net debt to normalised earnings before interest, tax and amortisation, interest cover and debt service to cashflow ratios. The Group had met each of its covenants at the other quarterly testing dates during the year ended 31 March 2009.

The main risks arising from the Group financial instruments are interest rate, credit and liquidity risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group finances its operations through a mixture of cash, bank borrowings and hire purchase contracts. The fair value of the financial instruments is not materially different to book value.

The interest rate exposure of the financial assets and liabilities of the Group as at 31 March 2009 and 31 March 2008 was:

	Interest rate					
	Fixed 2009 £'000	Floating 2009 £'000	Total 2009 £'000	Fixed 2008 £'000	Floating 2008 £'000	Total 2008 £'000
Financial assets:						
Cash at bank	-	170	170	-	52	52
	-	170	170	-	52	52
Financial liabilities:						
Bank overdraft	-	-	-	-	(1,999)	(1,999)
Bank loans	(15,140)	(2,538)	(17,678)	(7,125)	(8,327)	(15,452)
Finance leases	(196)	-	(196)	-	-	-
12 months	(15,336)	(2,538)	(17,874)	(7,125)	(10,326)	(17,451)

At 31 March 2009 bank loans amounting to £2.54m were subject to floating interest rates. The floating rate borrowings bear interest rates based on LIBOR.

The Group has adopted a cash flow hedge. The hedged items are the Group's bank loans which are hedged using interest rate swaps as hedge instruments. The value of the hedged instrument is held in the hedging reserve in equity.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

22 FINANCIAL INSTRUMENTS (CONTINUED)

The Group entered into a hedging arrangement in the year ended 31 March 2009 to fix an additional £10.66m of its borrowings at a fixed rate of 5.445 per cent for 3.5 years, beginning from 30 June 2008. This will increase to a maximum of £12.61m at 31 December 2009 before reducing in line with expected loan repayments. This arrangement has 2.75 years remaining.

Contract cashflows

	31 March 2010	31 March 2011	Year ending 31 March 2012
Bank loans (includes capital repayments, interest, and derivative financial instrument movements)	2,820	3,472	11,622

The Group has derived a sensitivity analysis based on readily available information for forward fixed and floating interest rates.

	2009 £'000	2008 £'000
Impact on equity		
1% increase in base rate of interest	358	100
1% decrease in base rate of interest	(358)	(78)
Impact on profit		
1% increase in base rate of interest	(25)	(173)
1% decrease in base rate of interest	25	173
Derivative financial instruments		
Non-current assets	-	22
Current-liabilities	(402)	-
Non-current liabilities	(704)	-
	(1,106)	22

The fair value of interest rate swaps entered into at 31 March 2009 is estimated at £1.11m (2008: £0.02m). These amounts are based on market values of equivalent instruments at the balance sheet date. The balance in equity at 31 March 2009 will continuously be released to the income statement over the term of the loan agreement.

The weighted average fixed interest rate and weighted average period for which the rate fixed for liabilities at 31 March 2009 was 7.7 per cent and 2.2 years respectively.

Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable cash requirements and to invest cash assets safely and profitably.

Short-term flexibility is achieved by the use of working capital facilities.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

22 FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk

Credit risk predominantly arises from trade receivables and cash and cash equivalents. The Group policy is to assess the credit quality of each customer before accepting any terms of trade.

The Group maximum exposure to credit risk relating to such assets is set out below:

	2009 £'000	2008 £'000
Trade receivables	6,281	6,591
Cash and cash equivalents	170	52
	6,451	6,643

The Group reviews aged debt on a periodic basis and makes provision for those debts which it considers are doubtful. At the balance sheet the total provision for doubtful debts totalled £0.04m (2008: £0.52m).

Total financial assets and liabilities

The table below sets out the Group's accounting classification of each class of financial assets and liabilities, and their fair values at 31 March 2009 and 31 March 2008.

	Book value	Loan and receivables	Amortised cost	Derivative finance instruments used in hedge accounting	Non financial asset/ (liability)	Total
2009						
Cash and cash equivalents	170	170	-	-	-	170
Trade and other receivables	6,982	6,982	-	-	-	6,982
Derivative	-	-	-	-	-	-
Other non-financial assets	38,968	-	-	-	38,968	38,968
	46,120	7,152	-	-	38,968	46,120
Trade and other payables	(6,962)	-	(6,962)	-	-	(6,962)
Financial liabilities	(17,874)	-	(17,874)	-	-	(17,874)
Derivative	(1,106)	-	-	(1,106)	-	(1,106)
Other non-financial liabilities	(3,867)	-	-	-	(3,867)	(3,867)
	(29,809)	-	(24,836)	(1,106)	(3,867)	(29,809)

	Book value	Loan and receivables	Amortised cost	Derivative finance instruments used in hedge accounting	Non financial asset/ (liability)	Total
2008						
Cash and cash equivalents	52	52	-	-	-	52
Trade and other receivables	6,591	6,591	-	-	-	6,591
Derivative	22	-	-	22	-	22
Other non-financial assets	55,339	-	-	-	55,339	55,339
	62,004	6,643	-	22	55,339	62,004
Trade and other payables	(8,012)	-	(8,012)	-	-	(8,012)
Financial liabilities	(20,075)	-	(20,075)	-	-	(20,075)
Other non-financial liabilities	(5,016)	-	-	-	(5,016)	(5,016)
	(33,103)	-	(28,087)	-	(5,016)	(33,103)

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

23 DEFERRED TAX

	2009 £'000	2008 £'000
Analysis for financial reporting purposes:		
Deferred tax liabilities	485	817
Deferred tax assets	(1,147)	(891)
Net position at 31 March	(662)	(74)

The movement in the year in the Group's net deferred tax position was as follows:

	2009 £'000	2008 £'000
At 1 April	(74)	(307)
Charge to income for the year	(415)	90
Charge to equity for the year	(173)	143
Amount due for settlement after 12 months	(662)	(74)

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon during the year:

Deferred tax liabilities

	Accelerated capital allowances £'000	Customer related intangibles £'000	Total £'000
At 1 April 2007	105	685	790
Charge to income for the year	(4)	31	27
At 31 March 2008	101	716	817
Charge to income for the year	(101)	(231)	(332)
At 31 March 2009	-	485	485

Deferred tax assets

	Accelerated capital allowances £'000	Retirement benefit obligations £'000	Cash flow hedges £'000	Total £'000
At 1 April 2007	-	1,097	-	1,097
Charge to income for the year	-	(63)	-	(63)
Charge to equity for the year	-	(143)	-	(143)
At 31 March 2008	-	891	-	891
Charge to income for the year	69	14	-	83
Charge to equity for the year	-	(143)	316	173
At 31 March 2009	69	762	316	1,147

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

24 PROVISIONS

	Onerous lease provision £'000	Dilapidations/ rectification provision £'000	Total £'000
At 31 March 2008	54	268	322
Additional provision in year	424	8	432
Amount eliminated on disposal	(17)	(60)	(77)
Amount released in year	(137)	(101)	(238)
At 31 March 2009	324	115	439

	31 March 2009 £'000	31 March 2008 £'000
Current provisions	386	150
Non-current provisions	53	172
	439	322

The onerous lease provision represents management's best estimate of the Group's net liability for unavoidable costs (i.e. the net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it) to be incurred for onerous lease contracts. The estimate is based on the terms of the leases.

The dilapidations/rectification provision has been made for costs expected to arise at the termination of leases. The provision is based on the expected dilapidation costs at the point of acquisition, and can be summarised as follows:

	Payable within 1 year £'000	Payable between 1-5 years £'000	Payable after 5 years £'000	Total £'000
Independent Living Organisation	34	49	4	87
Hallam Healthcare (East Midlands)	8	-	-	8
Supporta plc	20	-	-	20
At 31 March 2009	62	49	4	115

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

25 RETIREMENT BENEFIT OBLIGATIONS

Defined contribution plans

The Group operates a defined contribution Group personal pension scheme for the benefit of certain employees. The Group contributes to personal pension plans of certain Directors and employees. The Group also operates a stakeholder pension plan available to all employees. The assets of the plan are held separately from those of the Group in funds under the control of trustees.

The total cost charged to income of £0.19m (2008: £0.26m) represents contributions payable to these schemes by the Group at rates specified in the rules of the schemes. As at 31 March 2009, contributions of £0.31m (2008: £0.27m) due in respect of the current reporting period had been paid over to the schemes.

Defined benefit plan

The Group contributes to a defined benefit pension schemes for the benefit of certain employees of Supporta Services Limited previously employed by Parys Snowdon Payroll Services Limited and Parys Snowdon Group Limited and its subsidiaries which have been hived up into it.

Under the schemes, the employees are entitled to retirement benefits varying between 1.25 per cent and 1.67 per cent of final salary for each year of service on attainment of a retirement age of 65. In addition, members who, as described above, accrue pension at the rate of 1.25 per cent receive a lump sum on retirement equal to three times their pension. No other post retirement benefits are provided. The schemes are funded schemes. The funding level at 31 March 2009 was 59 per cent (2008: 63 per cent) and there are no partly or wholly unfunded liabilities.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 31 March 2009 by KPMG LLP, the schemes' independent actuaries. The present values of the defined obligation, the related current service cost and past service cost were measured using the projected unit credit method.

Key assumptions used:

	Valuation at 2009 %	Valuation at 2008 %
Discount rate	7.10	6.45
Expected rate of salary increases	3.60	4.25
Future pension increases	3.10	3.75
Inflation	3.10	3.75
Mortality – current pensioners		
Male life expectancy at age 60	26.9 years	26.1 years
Mortality – future pensioners		
Male life expectancy at age 60 (currently 45)	28.2 years	27.0 years

Mortality rate assumptions are based on publicly available data in the UK.

Amounts recognised in income in respect of these defined benefit schemes are as follows:

	2009 £'000	2008 £'000
Current service cost	54	120
Interest cost	539	497
Expected return on scheme assets	(354)	(409)
Past service costs	-	26
Gains and losses curtailments	-	27
	239	261

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

25 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

The current service cost for the year has been included in staff costs.

The current service cost is included within 'Administrative expenses before share-based payment charge, impairment, amortisation and exceptional items' within the 'Income Statement'.

The table below gives a broad indication of the impact on IAS 19 numbers to changes, assumptions and experience. All figures are before allowing for deferred tax.

Item	Approximate impact on current deficit	Effect on IAS 19 profit and loss charge next year
Increase/reduce discount rate by 0.25%	-£0.4m/+£0.4m	-£0.2m/+£0.2m
Increase/reduce real salary growth by 0.25%	+£0.4m/-£0.4m	+£0.005m/-£0.005m
Increase/reduce inflation assumption by 0.25% (Assumed affects deferred and pensioner increases and not salary increases)	+£0.4m/-£0.4m	+£0.3m/-£0.3m
Increase/drop in equity market by 5.00%*	-£0.1m/+£0.1m	-£0.01m/+£0.01m
Increase/reduce expected return on equities assumption by 0.25%	-	-£0.01m/+£0.01m

* This shows how an increase or drop prior to 31 March 2009 would have affected next year's charge. Actual asset performance does not affect the charge in the year in which it occurs.

Note that some of the changes illustrated above would take the actuarial basis outside a reasonable range.

Actuarial gains and losses are reported in the statement of recognised income and expense. The gain recognised in 2009 was £0.51m (2008: £0.49m), and the cumulative gain is £0.52m (2008: £0.01m).

The actual return of the scheme assets was £1.27m (2008: £0.65m).

The amount included in the balance sheet arising from the Group's obligation in respect of defined benefit retirement schemes is as follows:

	2009 £'000	2008 £'000
Present value of defined benefit obligations	(6,582)	(8,540)
Fair value of scheme assets	3,861	5,359
Deficit in scheme	(2,721)	(3,181)
Liability recognised in balance sheet	(2,721)	(3,181)

Movements in the present value of defined benefit obligations in the current period were as follows:

	2009 £'000	2008 £'000
At 1 April	8,540	9,564
Current service costs	54	120
Past service costs	-	26
Interest costs	539	497
Actuarial gains	(2,137)	(1,545)
Contributions by plan participants	21	39
Benefits paid	(435)	(188)
Gains and losses on curtailments	-	27
At 31 March	6,582	8,540

Notes to the Consolidated Financial Statements *continued*

for the year ended 31 March 2009

25 RETIREMENT BENEFIT OBLIGATIONS (CONTINUED)

Movements in the fair value of scheme assets in the current period were as follows:

	2009 £'000	2008 £'000
At 1 April	5,359	5,907
Expected return on scheme assets	354	409
Actuarial gains and (losses)	(1,627)	(1,058)
Employer Contributions	189	250
Employee Contributions	21	39
Benefits paid	(435)	(188)
At 31 March	3,861	5,359

The analysis of the scheme assets and the expected rate of return at the balance sheet date was as follows:

	Expected return		Fair value assets	
	2009 %	2008 %	2009 £'000	2008 £'000
Equity instruments	6.75	7.20	2,336	3,221
Debt instruments	5.40	5.50	776	954
Property	6.75	7.20	737	1,179
Other assets – cash	3.75	5.25	12	5
			3,861	5,359

The overall expected rate of return on assets (see table of assumptions used) has been derived as the weighted average of the expected returns from each of the main asset classes. The expected return for each assets class reflects a combination of historical performance analysis, the forward-looking view on the financial markets (as suggested by the yield available) and the views of investment organisations.

The five year history of experience adjustments are as follows:

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Present value of defined benefit obligations	(6,582)	(8,540)	(9,564)	(9,023)	(7,496)
Fair value of scheme assets	3,861	5,359	5,907	5,654	4,331
At 31 March	(2,721)	(3,181)	(3,657)	(3,369)	(3,165)
Experience adjustments on scheme liabilities	(306)	56	-	648	-
Percentage of Scheme Liabilities	5%	(1%)	-	(7%)	-
Experience adjustments on scheme assets	(1,627)	(1,058)	(233)	900	(75)
Percentage of Scheme Liabilities	(42%)	(20%)	(4%)	16%	(2%)

Over the accounting period, the Group contributed to the defined benefit at a rate of 14.9 per cent of pensionable salaries (inclusive of the cost of administrative expenses) plus £10,000 per month. From 1 April 2009, the Group will contribute 15.1 per cent of pensionable salaries plus £12,500 per month in respect of the cost of administrative expenses. In addition, the Group will contribute a further £26,000 per month in accordance with the Recovery Plan dated 2 December 2008.

The estimated amount of contributions expected to be paid to the scheme during the financial year ending 31 March 2010 is £0.50.

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26 SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised:		
100,000,000 ordinary shares of 5p each (2008: 100,000,000)	5,000	5,000
Allotted, called up and fully paid:		
86,456,352 ordinary shares of 5p each (2008: 81,547,450)	4,323	4,077

Allotments during the year of new ordinary 5p shares were as follows:

3 June 2008 – 4,908,902 shares were issued in order to satisfy the deferred consideration relating to the acquisition in November 2006 of TerraQuest Solutions Limited

There was no exercise of employee share options during the year.

All ordinary shares carry equal voting rights, and rights to residual assets.

27 SHARE-BASED PAYMENTS

The Group plan provides for a grant price equal to the average quoted market price of the Group shares for the three dealing days prior to the date of the grant. There is no vesting period. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited after the expiry of 30 days from the date the employee leaves the Group.

	2009 Options exercised	2008 Options exercised	2009 Weighted average exercise price (pence)	2008 Weighted average exercise price (pence)
Outstanding at 1 April	5,300,372	5,194,553	61.1	66.1
Grant during the year	1,560,000	1,565,902	26.0	60.7
Forfeited during the year	(692,999)	(1,460,083)	52.3	78.1
Exercised during the year	–	–	–	–
Expired during the year	–	–	–	–
Outstanding at 31 March	6,167,373	5,300,372	53.3	61.1
Exercisable at 31 March	6,167,373	5,300,372	53.3	61.1

No share options were exercised in the year ended 31 March 2009 or 2008. The options outstanding at 31 March 2009 had an exercise price between 26.0p and 89.5p (2008: 40.0p and 89.5p). The estimated fair value of options granted in the year using the Black-Scholes method, was 2.4p per share (2008: 2.0p per share)

On 7 August 2008 1,560,000 share options were granted at 26p per share. There is no vesting period. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited after the expiry of 30 days from the date the employee leaves the Group.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

27 SHARE-BASED PAYMENTS (CONTINUED)

The inputs into the Black-Scholes valuation model for options granted during the year were as follows:

	2009	2008
Weighted average share price	23.5p	36.6p
Weighted average exercise price	53.3p	60.8p
Expected volatility	24.6%	24.3%
Expected life	4 years	4 years
Risk free rate	4.6%	4.5%
Expected dividend yield	0%	0%

The weighted average contractual life of the options is 8.57 years (2008: 8.51 years).

Expected volatility was determined by calculating the historic volatility of the Group's share price over the previous six years. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural conditions.

The Group recognised total expenses of £0.18m (2008: £0.26m) relating to equity-settled share-based payment transactions in 2009.

The weighted average share options during the year are disclosed in the table below:

	2009 options exercised	2008 options exercised	2009 weighted average exercise price (pence)	2008 weighted average exercise price (pence)
Outstanding at 1 April	5,300,372	5,194,553	61.1	66.1
Grant during the year	1,376,219	115,479	26.0	60.7
Forfeited during the year	(107,745)	(954,243)	52.3	78.1
Exercised during the year	0	0	0.0	0.0
Expired during the year	0	0	0.0	0.0
Weighted average Outstanding at 31 March	6,568,846	4,355,789	53.3	61.1
Weighted average Exercisable at 31 March	6,568,846	4,355,789	53.3	61.1

28 ACQUISITION OF SUBSIDIARY

During the year the Company purchased the private care contracts from a sole trader trading as Helping Hands for £84,000. All of this cost was treated as an addition to customer related contracts and fully amortised in the year ending 31 March 2009.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

29 DISPOSAL OF SUBSIDIARY

As referred to in note 8, on 24 March 2009 the Group disposed of its subsidiaries Supporta Professional Services Limited and Bay Associates Consulting Limited.

The net assets of the subsidiaries at the date of disposal and at 31 March 2009 were as follows:

	24 March 2009 £'000	31 March 2008 £'000
Property, plant and equipment	55	138
Current assets	2,319	4,988
Current liabilities	(3,082)	(5,521)
Provisions and deferred tax	(94)	(104)
Attributable goodwill	10,346	8,166
	9,544	7,667
Loss on disposal	(9,544)	
Total consideration	-	
Net cash inflow arising on disposal:	-	
Cash consideration	-	
	-	

On 4 May 2007 the Group discontinued its payroll operations when the business was disposed of.

The total consideration of £3.70m was received as follows:

	Year ending 31 March 2009	Year ending 31 March 2008
	185	3,515

The impact of Supporta Professional Services Limited, Bay Associates Consulting Limited and the payroll division on the Group's results and its cashflows in the current and prior year is disclosed in note 8.

The maximum consideration receivable in respect of the disposal of Supporta Professional Services Limited and Bay Associates Consulting Limited is £408,718, payable wholly in cash. In addition, under the terms of the disposal agreement, certain debts amounting to approximately £349,000 will be paid over to the Company if they are successfully recovered by the purchaser, thereby potentially increasing the consideration receivable. Details of the consideration structure are set out below:

- £100,000 payable six months after completion;
- £204,359 payable quarterly further to the collection of debts and subject to the first £100,000 being paid into an escrow account from which the Purchaser can fund dilapidations on the exercise of break clauses in leases and adjustment further to completion accounts; and
- £104,359 payable on completion's first anniversary subject to adjustment further to completion accounts.

All monies receivable are dependant upon completion net assets reaching certain levels and therefore none of the proceeds described above are guaranteed. Although the Group expects to receive the majority of the consideration it has taken the prudent view that no money will be received. Any consideration received will be disclosed as a profit on sale of subsidiaries in the year ended 31 March 2010.

The proceeds from the sale will be used to pay down the Company's debt.

Notes to the Consolidated Financial Statements *continued*

for the year ended 31 March 2009

30 CAPITAL COMMITMENTS

	2008 £'000	2007 £'000
Commitments for the acquisition of property, plant and equipment	-	300

31 CONTINGENT LIABILITIES

The Group's Record Management operation, Supporta Datacare, occupies premises in Upper Heyford, Oxfordshire which are currently subject to a planning application issue between the landlord for the premises, the North Oxfordshire Consortium ('NOC') – a group of property developers and house builders, and Cherwell District Council. This issue has taken the form of a Public Inquiry planning application appeal and final ruling on the Public Inquiry is expected to be handed down by the Secretary of State for Communities and Local Government no later than the end of August 2009.

Separately, Supporta has lodged a planning application for temporary consent to use the premises for their existing use whilst the Public Inquiry appeal was resolved. This application was initially rejected by Cherwell District Council and Supporta has appealed this ruling. We continue a constructive dialogue about the economic impact both on the Group and the local economy with the Council who have invited us to amend our planning application and have agreed to reconsider the amendment subject to agreed conditions being placed upon the application.

There is a possibility that both Supporta and the NOC will be unsuccessful in their appeals which will require Supporta Datacare to either vacate or relocate from some of their current buildings. It is probable that a transitional period of no less than three years to 31 March 2012 will be granted and we are negotiating with the authority to extend this to up to 18 years if the NOC appeal is unsuccessful.

Given the uncertain nature of the negotiations at this stage it is not possible to give a reliable estimate of the economic impact on the Group if we or NOC were to be unsuccessful.

The Group has entered into a number of contracts for which the third party has the benefit of a bank guarantee for our obligations under these contracts. Such guarantees total £0.60m (2008: £0.31m). Upon disposal of the Payroll division on 4 May 2007 the Group provided tax warranties to the acquirer which expire on 4 May 2014. Upon disposal of Supporta Professional Services Limited and Bay Associates Consulting Limited on 24 March 2009 the Group provided tax warranties to the acquirer which expire on 24 March 2016.

32 OPERATING LEASE ARRANGEMENTS

The minimum lease payments under non-cancellable operating lease rentals are in aggregate as follows:

	2009		2008	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
In one year or less	306	75	324	-
Between one and five years	305	102	421	177
Over five years	121	-	296	-
	732	177	1,041	177
Operating lease expense	997	177	1,098	177

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

33 RELATED PARTY TRANSACTIONS

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Group, is set out in aggregate in the 'Directors remuneration statement' for each of the categories specified in IAS 24: 'Related Party Disclosures'.

One Director (2008: 1) is accruing benefits under the money purchase scheme.

The highest paid Director in the year received remuneration of £346,000 (2008: £175,000).

The pension contributions of the highest paid Director were £Nil (2008: £Nil).

Trading transactions

During the year, Group companies entered into the following transactions with related parties who are not members of the Group.

During the year the Group accrued costs of £3,432 to J Curran (spouse of M Curran) for rental of a property which is owned by M Curran's personal pension scheme. This amount, together with a balance owed at 31 March 2008 of £13,525, was paid during the year ending 31 March 2009.

The lease on this property expired during the year and there was no balance owing at 31 March 2009.

Any payments to the pension scheme are dealt with in the pension scheme note.

34 CHANGES IN SHAREHOLDERS' EQUITY

	Share capital £'000	Share premium account £'000	Share-based payment reserves £'000	Retained earnings reserve £'000	Hedging reserve £'000	Total £'000
At 1 April 2007	3,370	30,320	375	(9,460)	109	24,714
Total recognised income and expense	-	-	-	(1,248)	(87)	(1,335)
Share-based payment reserves movement	-	-	262	-	-	262
Issue of shares in the period	707	-	-	-	-	707
Premium on allotment during the period	-	4,553	-	-	-	4,553
At 31 March 2008	4,077	34,873	637	(10,708)	22	28,901
Total recognised income and expense	-	-	-	(12,752)	(1,128)	(13,880)
Share-based payment reserves movement	-	-	178	-	-	178
Issue of shares in the period	246	-	-	-	-	246
Premium on allotment during the period	-	866	-	-	-	866
At 31 March 2009	4,323	35,739	815	(23,460)	(1,106)	16,311

All of the amounts above are attributable to the shareholders of the parent.

Notes to the Consolidated Financial Statements *continued*
for the year ended 31 March 2009

34 CHANGES IN SHAREHOLDERS' EQUITY (CONTINUED)

Share capital

The share capital account includes the par value for all shares issued and outstanding.

Share premium account

The share premium account comprises the premium over nominal value on issued shares. The use of this reserve is restricted by the Companies Act 1985.

Retained earnings

The retained earnings reserve includes the accumulated profits and losses arising from the consolidated income statements and certain items from the statements of recognised income and expense attributable to equity shareholders less distributions to shareholders.

Share-based payment reserve

The share-based payment represents the cumulative amount which has been recognised in connection with share-based payments, less any amount transferred to retained earnings in the exercise of share warrants.

Hedging reserve

The hedging reserve represents the cumulative amount which has been recognised in connection with interest rate swaps.

35 CASH GENERATED FROM OPERATIONS

	2009 £'000	2008 £'000
(Loss)/profit before tax on continuing operations	(2,825)	251
Loss before tax on discontinuing operations	(10,910)	(1,153)
Loss before tax	(13,735)	(902)
Adjustments for:		
Depreciation of property, plant and equipment	272	383
Impairment of goodwill – continuing	3,652	–
Impairment of goodwill – discontinuing	–	218
Amortisation of intangible assets	988	983
Share-based payment charge	178	262
Gain on disposal of property, plant and equipment	–	(19)
Loss/(gain) on disposal of operation	9,544	(167)
Finance costs	1,525	1,396
Operating cash flows before movements in working capital	2,424	2,154
Decrease/(increase) in receivables	541	(331)
Increase in payables	423	75
Cash generated by operations	3,388	1,898

Five Year Summary

for the year ended 31 March 2009

	Prepared under IFRS		Prepared under UK GAAP		
	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
REVENUE	53,469	46,233	42,708	29,102	20,471
OPERATING (LOSS)/PROFIT	(1,300)	1,660	(1,474)	571	(686)
Net finance costs	(1,525)	(1,409)	(1,060)	(414)	(186)
(LOSS)/PROFIT BEFORE TAX FROM CONTINUED OPERATIONS	(2,825)	251	(2,534)	157	(872)
Taxation	300	(272)	161	(173)	(89)
	(2,525)	(21)	(2,373)	(16)	(961)
Loss for the year from discontinued operations	(10,910)	(1,571)	(3,691)	-	-
LOSS AFTER TAXATION	(13,435)	(1,592)	(6,064)	(16)	(961)
Equity minority interests	-	-	-	(75)	27
LOSS ATTRIBUTABLE TO THE EQUITY HOLDER OF THE PARENT	(13,435)	(1,592)	(6,064)	(91)	(934)
Dividend per share	-	-	-	-	-
Loss per share – basic	(15.70)	(2.24)	(9.40)	(0.18)	(2.82)

Parent Company Financial Statements

The separate financial statements of Supporta plc are presented on pages 65 to 71 as required by the Companies Act 1985 ('the Act'). The Group has elected not to adopt International Financial Reporting Standards in the individual Company accounts for the parent Company and subsidiary undertakings, and accordingly these financial statements have been prepared under UK accounting standards and in accordance with the Act. They are therefore presented separately to the Group consolidated financial statements which have been prepared under International Financial Reporting Standards.

Report of the Independent Auditor to the Members of Supporta plc

We have audited the parent Company financial statements of Supporta plc for the year ended 31 March 2009 which comprise the balance sheet, principal accounting policies, and notes 1 to 15. These parent Company financial statements have been prepared under the accounting policies set out therein.

We have reported separately on the Group financial statements of Supporta plc for the year ended 31 March 2009.

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 Directors' responsibilities for preparing the Annual Report and the parent Company financial statements in accordance with United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the parent Company 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 parent Company financial statements give a true and fair view and whether the parent Company financial statements have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the Directors' Report is consistent with the parent Company financial statements. The information given in the Directors' Report includes that specific information presented in the Business Review that is cross referred from the Business Review section of the Directors' Report.

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 Directors' remuneration and other transactions is not disclosed.

We read other information contained in the Annual Report and consider whether it is consistent with the audited parent Company financial statements. This other information comprises only the Financial Highlights, Chairman's Statement, Chief Executive's Report, Financial Director's Report, the Directors' Report and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the parent Company financial statements. Our responsibilities do not extend to any other information.

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 parent Company financial statements. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the parent Company 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 parent Company 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 parent Company financial statements.

OPINION

In our opinion:

- the parent Company financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Company's affairs as at 31 March 2009;
- the parent Company financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.


GRANT THORNTON UK LLP
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
OXFORD
22 June 2009

Company Balance Sheet

	Notes	2009 £'000	2008 £'000
FIXED ASSETS			
Tangible assets	3	12	281
Investments	4	17,292	23,583
		17,304	23,864
CURRENT ASSETS			
Debtors	5	24,315	29,612
Cash at bank and in hand	6	-	411
		24,315	30,023
CREDITORS: Amounts falling due within one year	7	(15,861)	(18,901)
NET CURRENT ASSETS		8,454	11,122
TOTAL ASSETS LESS CURRENT LIABILITIES		25,759	34,986
CREDITORS: Amounts falling due after more than one year	8	(15,249)	(12,280)
PROVISIONS FOR LIABILITIES	9	(20)	(20)
		10,489	22,686
CAPITAL AND RESERVES			
Called up share capital	11	4,323	4,077
Share premium account	12	35,739	34,873
Profit and loss account	12	(30,388)	(16,901)
Share-based payment reserve	12	815	637
TOTAL SHAREHOLDERS' FUNDS	13	10,489	22,686

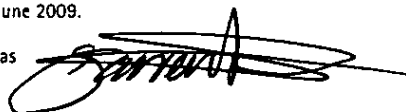
The notes on pages 65 to 71 form part of these accounts.

The accounts were approved by the Board of Directors on 22 June 2009.

J Jasper
Director



D Xiberras
Director



Company Accounting Policies

BASIS OF PREPARATION

The Company financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention.

The Principal Accounting Policies of the Company are set out below. The policies have remained unchanged from the previous period. The policies remain the most appropriate for the year.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible fixed assets are stated at cost, net of depreciation. Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their estimated useful economic lives. The range of estimated useful lives for each major assets category, which are reviewed annually are:

Office equipment, fixtures and fittings (including computer equipment) and motor vehicles	3 to 8 years
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LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their estimated useful economic lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

INVESTMENTS

Investments are included at cost less amounts written off.

DEFERRED TAXATION

Deferred tax is recognised on all timing differences where the transactions or events that give the Company an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance sheet date.

FINANCIAL INSTRUMENTS

Financial assets are recognised in the balance sheet at the lower of cost and net realisable value.

Income and expenditure arising on the financial instruments is recognised on the accruals basis and credited or charged to the profit and loss account in the financial period to which it relates.

RETIREMENT BENEFITS

Defined contribution scheme

The pension costs charged against profits are the contributions payable to individual policies in respect of the accounting period.

SHARE-BASED PAYMENTS

The Company operates several share option plans for key employees. All share-based payment arrangements granted after 7 November 2002 that had not vested prior to 1 April 2006 are recognised in the financial statements.

All goods and services received in exchange for the grant of any share-based payment are measured at their fair values. Where employees are rewarded using share-based payments, the fair values of employees' services are determined indirectly by reference to the fair value of the instrument granted to the employee. This fair value is appraised at the grant date and excludes the impact of non-market vesting conditions.

All equity-settled share-based payments are ultimately recognised as an expense in the profit and loss account with a corresponding credit to 'share-based payment reserve'.

If vesting periods or other non-market vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Estimates are revised subsequently if there is any indication that the number of share options expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognised in the current period. No adjustment is made to any expense recognised in prior periods if share options that have vested are not exercised.

Upon exercise of share options, the proceeds received net of attributable transaction costs are credited to share capital, and where appropriate share premium.

Notes to the Company Financial Statements

for the year ended 31 March 2009

1 PROFIT AND LOSS ACCOUNT

The Company's loss for the year is £13.49m (2008: loss £4.38m). As permitted by s230(3) of the Companies Acts 1985, a separate profit and loss account has not been presented.

2 STAFF COSTS

	2009 £'000	2008 £'000
Staff costs during the year were:		
Wages and salaries	917	1,279
Social security costs	103	172
Redundancy	22	116
Pension costs	14	35
	1,056	1,602
	2009 No.	2008 No.
The average number of employees of the Group during the year was:		
Directors	5	6
Corporate	7	17
	12	23

Nil Directors (2008: Nil) are accruing benefits under the money purchase scheme.

The highest paid Director in the year achieved remuneration of £346,000 (2008: £175,000).

The pension contributions of the highest paid Director were £Nil (2008: £Nil).

3 TANGIBLE FIXED ASSETS

	Office equipment £'000	Computer software £'000	Total £'000
Cost:			
At 1 April 2008	366	146	512
Additions	3	-	3
Disposals	(369)	(14)	(383)
At 31 March 2009	-	132	132
Depreciation:			
At 1 April 2008	122	109	231
Provided in the year	23	23	46
Disposals	(145)	(12)	(157)
At 31 March 2009	-	120	120
Net book value:			
At 31 March 2009	-	12	12
At 31 March 2008	244	37	281

Notes to the Company Financial Statements *continued*
for the year ended 31 March 2009

4 FIXED ASSET INVESTMENTS

	Subsidiary undertaking £'000
Cost and net book amount:	
At 1 April 2008	23,583
Additions	2,402
Disposal	(8,693)
At 31 March 2009	17,292

The addition to fixed asset investments represents the purchase of additional shares in Supporta Professional Services Limited on 23 March 2009 prior to the disposal on 24 March 2009.

The disposal of fixed asset investments represents the cost of the investment of Supporta Professional Services Limited disposed of on 24 March 2009.

At 31 March 2009, the principal undertakings where the Group held 20 per cent or more of the equity share capital are shown below. A full list of subsidiary undertakings is listed on the Company annual return which is filed at Companies House and is also available from the Company Secretary upon request.

Subsidiary undertakings	Country of incorporation	Class of share capital held	Proportion held		Nature of business
			By parent Company	By subsidiary	
Supporta Care Limited	United Kingdom	Ordinary	100%		Home and social care provision
Supporta Services Limited	United Kingdom	Ordinary	100%		Support services
Staff VMS Limited	United Kingdom	Ordinary	100%		Back office services
Independent Living Organisation Limited	United Kingdom	Ordinary		100%	Home and social care provision
Supporta Care Scotland Limited (formerly Strathaven Nursing Homes Limited)	United Kingdom	Ordinary		100%	Home and social care provision
Datacare Business Systems Limited	United Kingdom	Ordinary		100%	Data storage and scanning
TerraQuest Solutions Limited	United Kingdom	Ordinary	100%		Business process outsourcing and consultancy

Notes to the Company Financial Statements *continued*
for the year ended 31 March 2009

5 DEBTORS

	2009 £'000	2008 £'000
Trade debtors	-	250
Amounts owed by Group undertakings	23,834	28,629
Social security and other taxes	139	-
Corporation tax	-	139
Other debtors	302	142
Prepayments and accrued income	40	452
	24,315	29,612

6 CASH AT BANK AND IN HAND

	2009 £'000	2008 £'000
Cash in Escrow	-	411

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2009 £'000	2007 £'000
Bank loans and overdrafts	1,750	8,340
Trade creditors	294	568
Amounts owed to Group undertakings	12,808	7,226
Social security and other taxes	53	224
Other creditors	25	-
Accruals and deferred income	871	322
Deferred consideration	-	2,221
Amounts due under hire purchase contracts	60	-
	15,861	18,901

The bank loans and overdraft are secured by a fixed and floating charge over all assets of the Group.

There are no amounts due under hire purchase contracts.

Notes to the Company Financial Statements *continued*

For the year ended 31 March 2009

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2009 £'000	2008 £'000
Bank loans and overdraft	15,113	12,280
Amounts due under hire purchase contracts	136	-
	15,249	12,280

9 PROVISIONS FOR LIABILITIES

	2009 £'000	2008 £'000
Dilapidation provision	20	20
	20	20

10 BORROWINGS

	2009 £'000	2008 £'000
Within one year, or on demand:		
Bank and other borrowings	1,750	8,340
After one year and within two years:		
Bank and other borrowings	4,266	3,145
Between two and five years:		
Bank and other borrowings	10,847	9,135
	16,863	20,620

11 SHARE CAPITAL

	2009 £'000	2008 £'000
Authorised:		
100,000,000 ordinary shares of 5p each (2008: 100,000,000)	5,000	5,000
Allotted, called up and fully paid:		
86,456,352 ordinary shares of 5p each (2008: 81,547,450)	4,323	4,077

Allotments during the year of new ordinary 5p shares were as follows:

3 June 2008 – 4,908,902 shares were issued in order to satisfy the deferred consideration relating to the acquisition in November 2006 of TerraQuest Solutions Limited

There were no exercise of employee share options during the year.

All ordinary shares carry equal voting rights, and rights to residual assets.

Notes to the Company Financial Statements *continued*

For the year ended 31 March 2009

12 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £'000	Profit and loss account £'000	Share-based payment reserves £'000
At 1 April 2008	34,873	(16,901)	637
Retained loss for the year	-	(13,487)	-
FRS 20 share-based payment reserve movement	-	-	178
Premium on allotment during the year	866	-	-
At 31 March 2009	35,739	(30,388)	815

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2009 £'000	2008 £'000
Loss for the financial year	(13,487)	(4,380)
FRS 20 share-based payment reserve movement	178	262
Issue of shares	1,112	5,260
Net (decrease)/increase in shareholders' funds	(12,197)	1,142
Shareholders' funds at 1 April	22,686	21,544
Shareholders' funds at 31 March	10,489	22,686

14 PENSION SCHEMES

The Company contributes to personal pension schemes of certain Directors and employees. The Company operates a stakeholder pension plan available to all employees.

The Company does not operate a defined benefits scheme.

Notes to the Company Financial Statements *continued*

For the year ended 31 March 2009

15 SHARE-BASED PAYMENTS

The Group plan provides for a grant price equal to the average quoted market price of the Group shares for the three dealing days prior to the date of the grant. There is no vesting period. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited after the expiry of 30 days from the date the employee leaves the Group.

	2009 options exercised	2008 options exercised	2009 weighted average exercise price (pence)	2008 weighted average exercise price (pence)
Outstanding at 1 April	5,300,372	5,194,553	61.1	66.1
Grant during the year	1,560,000	1,565,902	26.0	60.7
Forfeited during the year	(692,999)	(1,460,083)	52.3	78.1
Exercised during the year	-	-	-	-
Expired during the year	-	-	-	-
Outstanding at 31 March	6,167,373	5,300,372	53.3	61.1
Exercisable at 31 March	6,167,373	5,300,372	53.3	61.1

No share options were exercised in the year ended 31 March 2009 or 2008.

The options outstanding at 31 March 2009 had an exercise price between 26.0p and 89.5p (2008: 40.0p and 89.5p). The estimated fair value of options granted in the year using the Black-scholes method, was 2.4p per share (2008: 2.0p per share).

On 7 August 2008 1,560,000 share options were granted at 26 pence per share. There is no vesting period. If the options remain unexercised after a period of 10 years from the date of grant, the options expire. Furthermore, options are forfeited after the expiry of 30 days from the date the employee leaves the Group.

The inputs into the Black-Scholes valuation model for options granted during the year were as follows:

	2009	2008
Weighted average share price	23.5p	36.6p
Weighted average exercise price	53.3p	60.8p
Expected volatility	24.6%	24.3%
Expected life	4 years	4 years
Risk free rate	4.6%	4.5%
Expected dividend yield	0%	0%

The weighted average contractual life of the options is 8.57 years (2008: 8.51 years).

Expected volatility was determined by calculating the historic volatility of the group's share price over the previous 6 years. The expected life used in the model has been adjusted, based on managements's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural conditions.

The Group recognised total expenses of £0.18m (2008: £0.26m) relating to equity-settled share-based payment transactions in 2009.

Notes to the Company Financial Statements *continued*

For the year ended 31 March 2009

15 SHARE-BASED PAYMENTS (CONTINUED)

The weighted average share options during the year are disclosed in the table below:

	2009 options exercised	2008 options exercised	2009 weighted average exercise price (pence)	2008 weighted average exercise price (pence)
Outstanding at 1 April	5,300,372	5,194,553	61.1	66.1
Grant during the year	1,376,219	115,479	26.0	60.7
Forfeited during the year	(107,745)	(954,243)	52.3	78.1
Exercised during the year	0	0	0.0	0.0
Expired during the year	0	0	0.0	0.0
Weighted average Outstanding at 31 March	6,568,846	4,355,789	53.3	61.1
Weighted average Exercisable at 31 March	6,568,846	4,355,789	53.3	61.1

Company Information

COMPANY REGISTRATION NUMBER

04002389

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70 Great Bridgewater Street
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DIRECTORS

Dr C Grace	Non-executive Chairman
J Jasper	Group Chief Executive
D Xiberras	Group Finance Director
B Walsh	Managing Director, Supporta Care
N Scholte	Non-executive Director

SECRETARY

S Birks

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