

Registration number: 04486203

**CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2017**

Hazlewoods LLP  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT



## **CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

### **CONTENTS**

Company Information	1
Directors' Report	2
Strategic Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Balance Sheet	8
Statement of Changes in Equity	9
Notes to the Financial Statements	10 to 18

## **CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

### **COMPANY INFORMATION**

**Directors** R J Compton-Burnett  
S J Constantine  
A Sargent

**Registered office** Wootton Chase  
Wootton St Lawrence  
Basingstoke  
Hampshire  
RG23 8PE

**Solicitors** Coffin Mew LLP  
Kings Park House  
22 Kings Park Road  
Southampton  
SO15 2UF

**Bankers** Allied Irish Bank (GB)  
9 Waterloo Road  
Wolverhampton  
WV1 4NB

**Auditors** Hazlewoods LLP  
Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

## **CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their report and the financial statements for the year ended 31 March 2017.

#### **Directors of the company**

The directors who held office during the year were as follows:

R J Compton-Burnett

S J Constantine

A Sargent

#### **Future developments**

While the impact of funding cuts for the Local Authorities continues to present challenges for the independent fostering sector, the Board is cautiously optimistic about the future. Demand for our services is good in many parts of England and interesting acquisition opportunities are continuing to arise. We continue to invest in the quality of our service provision overall and in particular in our efforts to increase carer recruitment and in the further enhancement of the skills of our staff and carers.


#### **Disclosure of information to the auditors**

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

#### **Reappointment of auditors**

Hazlewoods LLP have expressed their willingness to continue in office.

Approved by the Board on 21/9/17 and signed on its behalf by:

  
.....  
R J Compton-Burnett  
Director

**CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

**STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2017**

The directors present their strategic report for the year ended 31 March 2017.

**Principal activity**

The principal activity of the company is the provision of foster care services for children and young people.

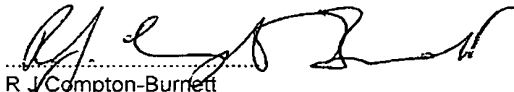
**Fair review of the business**

The results for the year which are set out in the profit and loss account show turnover of £10,261,164 (2016 - £11,275,615) and a profit after tax of £933,624 (2016 - £857,180). The directors consider the performance for the year and the financial position at the year end to be satisfactory.

The financial statements for the year ended 31 March 2017 are set out on pages 7 to 18. The profit for the year is disclosed on page 7. The directors have transferred this to reserves and a dividend of £1,000,000 has been paid (2016 - £800,000). The financial statements have been prepared on a going concern basis.

Details of principal risks and uncertainties, key performance indicators, financial instruments and future developments are considered similar to the group to which the company belongs and are disclosed in the group financial statements of the parent company.

Approved by the Board on 21/9/17 and signed on its behalf by:



.....  
R J Compton-Burnett  
Director

## **CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has 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 adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

We have audited the financial statements of Capstone Foster Care (South East) Limited for the year ended 31 March 2017, set out on pages 7 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 auditor**

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors to the financial statements.

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

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

#### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

**CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAPSTONE FOSTER CARE  
(SOUTH EAST) LIMITED**

**Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

  
.....  
Andrew Brookes (Senior Statutory Auditor)  
For and on behalf of Hazlewoods LLP, Statutory Auditor

Windsor House  
Bayshill Road  
Cheltenham  
GL50 3AT

Date:

28 September 2017



**CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2017**

	Note	2017 £	2016 £
<b>Turnover</b>	3	10,261,164	11,275,615
Cost of sales		<u>(5,564,383)</u>	<u>(6,104,205)</u>
<b>Gross profit</b>		4,696,781	5,171,410
Administrative expenses		<u>(3,523,730)</u>	<u>(4,042,253)</u>
<b>Operating profit</b>	4	1,173,051	1,129,157
Other interest receivable and similar income	5	<u>27</u>	<u>-</u>
<b>Profit before tax</b>		1,173,078	1,129,157
Taxation	8	<u>(239,454)</u>	<u>(271,977)</u>
<b>Profit for the financial year</b>		<u>933,624</u>	<u>857,180</u>

Turnover and operating loss are derived wholly from continuing operations.

The company has no other comprehensive income for the year.

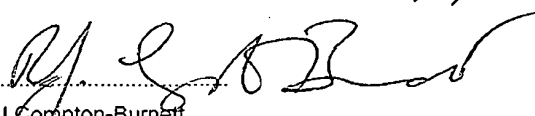
The notes on pages 10 to 18 form an integral part of these financial statements.

**CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

(REGISTRATION NUMBER: 04486203)  
BALANCE SHEET AS AT 31 MARCH 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	9	2,442,187	2,705,956
Tangible assets	10	<u>179,905</u>	<u>180,494</u>
		<u>2,622,092</u>	<u>2,886,450</u>
<b>Current assets</b>			
Debtors: Amounts falling due within one year	11	573,437	596,799
Cash at bank and in hand		<u>331,683</u>	<u>435,223</u>
		905,120	1,032,022
<b>Creditors: Amounts falling due within one year</b>	12	<u>(716,017)</u>	<u>(513,869)</u>
<b>Net current assets</b>		<u>189,103</u>	<u>518,153</u>
<b>Total assets less current liabilities</b>		2,811,195	3,404,603
Creditors: Amounts falling due after more than one year	12	(1,027,071)	(1,550,542)
Provisions for liabilities	8	<u>(22,702)</u>	<u>(26,263)</u>
<b>Net assets</b>		<u>1,761,422</u>	<u>1,827,798</u>
<b>Capital and reserves</b>			
Called up share capital	13	600	600
Share premium reserve		39,054	39,054
Retained earnings		<u>1,721,768</u>	<u>1,788,144</u>
<b>Total equity</b>		<u>1,761,422</u>	<u>1,827,798</u>

Approved and authorised by the Board on 21/9/17 and signed on its behalf by:

  
R J Compton-Burnett  
Director

The notes on pages 10 to 18 form an integral part of these financial statements.

**CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017**

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2016	600	39,054	1,788,144	1,827,798
Profit for the year	-	-	933,624	933,624
Dividends	-	-	(1,000,000)	(1,000,000)
At 31 March 2017	<u>600</u>	<u>39,054</u>	<u>1,721,768</u>	<u>1,761,422</u>

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 April 2015	600	39,054	1,730,964	1,770,618
Profit for the year	-	-	857,180	857,180
Dividends	-	-	(800,000)	(800,000)
At 31 March 2016	<u>600</u>	<u>39,054</u>	<u>1,788,144</u>	<u>1,827,798</u>

The notes on pages 10 to 18 form an integral part of these financial statements.

## **CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **1 General information**

The company is a private company limited by shares incorporated and domiciled in England and Wales.

The address of its registered office is:

Wootton Chase  
Wootton St Lawrence  
Basingstoke  
Hampshire  
RG23 8PE

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

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

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

##### **Summary of disclosure exemptions**

The company has not presented a cash flow statement on the grounds that it is a wholly owned subsidiary and a group cash flow statement is included in the financial statements of the parent company.

##### **Name of parent of group**

These financial statements are consolidated in the financial statements of Capstone Foster Care Limited.

The financial statements of Capstone Foster Care Limited may be obtained from Companies House.

##### **Judgements and estimation uncertainty**

The financial statements do not contain any significant judgements or estimation uncertainty.

##### **Revenue recognition**

Turnover comprises amounts receivable in respect of foster care services for children and young people. Where the amount covers the balance sheet date, the amount is apportioned over the period to which it relates.

The company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company's activities.

## **CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold improvements	Over the life of the lease
Fixtures, fittings and equipment	20% reducing balance

#### **Intangible assets**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

#### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	3 - 15 years

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

## **CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

#### **Trade debtors**

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted amount of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

#### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### **Financial instruments**

##### **Classification**

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

##### **Recognition and measurement**

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financial transaction, the financial assets or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

## CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

#### **Impairment**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

#### **Non-financial assets**

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

The recoverable amount of goodwill is derived from measurement of the present value of the future cash flows of the cash-generating units ('CGUs') of which the goodwill is a part. Any impairment loss in respect of a CGU is allocated first to the goodwill attached to that CGU, and then to other assets within that CGU on a pro-rata basis.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a CGU, the reversal is applied first to the assets (other than goodwill) of the CGU on a pro-rata basis and then to any goodwill allocated to that CGU.

#### **Financial assets**

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

### **3 Revenue**

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

### **4 Operating profit**

Arrived at after charging

	2017	2016
	£	£
Depreciation expense	42,178	39,776
Amortisation expense	263,769	365,603
Operating lease expense - property	275,162	224,984

### **5 Other interest receivable and similar income**

	2017	2016
	£	£
Interest income on bank deposits	27	-

**CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

**6 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Wages and salaries	1,786,935	1,704,525
Social security costs	183,589	173,593
Pension costs, defined contribution scheme	30,156	20,949
	<u>2,000,680</u>	<u>1,899,067</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Administration	24	22
Support and social workers	45	38
	<u>69</u>	<u>60</u>

**7 Auditors' remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Audit of the financial statements	<u>8,325</u>	<u>8,325</u>



# **CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

### **8 Taxation**

Tax charged/(credited) in the profit and loss account

	2017 £	2016 £
<b>Current taxation</b>		
UK corporation tax	245,269	274,828
UK corporation tax adjustment to prior periods	<u>(2,254)</u>	<u>-</u>
	243,015	274,828
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	<u>(3,561)</u>	<u>(2,851)</u>
Tax expense in the income statement	<u><u>239,454</u></u>	<u><u>271,977</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 20% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>1,173,078</u>	<u>1,129,157</u>
Corporation tax at standard rate	234,616	225,831
Effect of expense not deductible in determining taxable profit	50,613	49,062
Deferred tax expense (credit) relating to changes in tax rates	(1,335)	(2,916)
Tax increase (decrease) from other short-term timing differences	(5,815)	-
Tax increase (decrease) arising from group relief	<u>(40,468)</u>	<u>-</u>
Total tax charge	<u><u>237,611</u></u>	<u><u>271,977</u></u>

### **Deferred tax**

Deferred tax assets and liabilities

2017	Liability £
Difference between accumulated depreciation and amortisation and capital allowances	23,389
Other timing differences	<u>(687)</u>
	<u><u>22,702</u></u>

2016	Liability £
Difference between accumulated depreciation and amortisation and capital allowances	26,664
Other timing differences	<u>(401)</u>
	<u><u>26,263</u></u>

**CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

**9 Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 April 2016 and at 31 March 2017	<u>4,209,314</u>
<b>Amortisation</b>	
At 1 April 2016	1,503,358
Amortisation charge	<u>263,769</u>
At 31 March 2017	<u>1,767,127</u>
<b>Carrying amount</b>	
At 31 March 2017	<u>2,442,187</u>
At 31 March 2016	<u>2,705,956</u>

**10 Tangible assets**

	<b>Leasehold improvements £</b>	<b>Fixtures, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 April 2016	52,969	439,847	492,816
Additions	<u>17,092</u>	<u>24,497</u>	<u>41,589</u>
At 31 March 2017	<u>70,061</u>	<u>464,344</u>	<u>534,405</u>
<b>Depreciation</b>			
At 1 April 2016	36,762	275,560	312,322
Charge for the year	<u>7,004</u>	<u>35,174</u>	<u>42,178</u>
At 31 March 2017	<u>43,766</u>	<u>310,734</u>	<u>354,500</u>
<b>Carrying amount</b>			
At 31 March 2017	<u>26,295</u>	<u>153,610</u>	<u>179,905</u>
At 31 March 2016	<u>16,207</u>	<u>164,287</u>	<u>180,494</u>

**CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017**

**11 Debtors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Trade debtors	362,159	462,043
Amounts owed by group undertakings	171,825	67,574
Other debtors	2,660	17,369
Prepayments	36,793	49,813
Total current trade and other receivables	<u>573,437</u>	<u>596,799</u>

**12 Creditors**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Due within one year</b>		
Trade creditors	54,551	42,329
Social security and other taxes	57,736	65,169
Outstanding defined contribution pension costs	5,016	2,227
Other creditors	211,723	198,704
Accrued expenses	141,722	151,169
Corporation tax	245,269	54,271
	<u>716,017</u>	<u>513,869</u>
<b>Due after one year</b>		
Amounts owed to group undertakings	<u>1,027,071</u>	<u>1,550,542</u>

**13 Share capital**

**Allotted, called up and fully paid shares**

	<b>2017</b>		<b>2016</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary 'A' of £1 each	450	450	450	450
Ordinary 'B' of £1 each	150	150	150	150
	<u>600</u>	<u>600</u>	<u>600</u>	<u>600</u>

All shares rank pari passu in all respects, however dividends can be voted separately.

## CAPSTONE FOSTER CARE (SOUTH EAST) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2017

#### 14 Obligations under leases

##### Operating leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	136,217	141,836
Later than one year and not later than five years	170,567	28,324
	<u>306,784</u>	<u>170,160</u>

#### 15 Pension and other schemes

##### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £30,156 (2016 - £20,949).

Contributions totalling £5,016 (2016 - £2,227) were payable to the scheme at the end of the year and are included in creditors.

#### 16 Dividends

	2017 £	2016 £
Dividends paid	<u>1,000,000</u>	<u>800,000</u>

#### 17 Contingent liabilities

The company has provided a cross guarantee with fellow group companies for loans held by Capstone Foster Care Limited, its ultimate parent company. The total borrowings secured on these loans as at 31 March 2017 is £3,855,000 (2016 - £5,225,000). The security on this guarantee is a fixed and floating charge over the assets of the company in favour of Allied Irish Bank Group (UK) plc.

#### 18 Parent and ultimate parent undertaking

The company is controlled by Capstone Foster Care Limited, a company incorporated in England and Wales. The ultimate controlling company is considered to have no single controlling party.

#### 19 Non adjusting events after the financial period

On 4 May 2017 the company purchased the entire share capital of FosterCare UK Limited. The total consideration for the acquisition was up to a maximum of £2,826,057.