

**REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2006
FOR
ACTIVE 8 CARE LTD**

Jones Harris
17 St Peter's Place
Fleetwood
Lancashire
FY7 6EB

FRIDAY



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ACTIVE 8 CARE LTD

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for the year ended 30 November 2006

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ACTIVE 8 CARE LTD

COMPANY INFORMATION
for the year ended 30 November 2006

DIRECTORS:

A Thompson
Mrs F T Thompson

SECRETARY:

Mrs F T Thompson

REGISTERED OFFICE:

32 St. Albans Road
Lytham St Annes
Lancashire
FY8 1TH

REGISTERED NUMBER:

05107898 (England and Wales)

AUDITORS

Jones Harris
17 St Peter's Place
Fleetwood
Lancashire
FY7 6EB

ACTIVE 8 CARE LTD

REPORT OF THE DIRECTORS for the year ended 30 November 2006

The directors present their report with the financial statements of the company for the year ended 30 November 2006

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of social work services and accommodation. This included the provision of outdoor activities and holidays mainly for children living in residential care homes.

DIRECTORS

The directors set out in the table below have held office during the whole of the period from 1 December 2005 to the date of this report.

The beneficial interests of the directors holding office at 30 November 2006 in the shares of the company, according to the register of directors' interests, were as follows:

	30.11.06	1.12.05
Ordinary shares of £1 each		
A Thompson	100	100
Mrs F T Thompson	100	100

These directors did not hold any non-beneficial interests in the shares of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing 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). The financial statements are required by law to 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 234ZA of the Companies Act 1985) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Jones Harris, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ACTIVE 8 CARE LTD

**REPORT OF THE DIRECTORS
for the year ended 30 November 2006**

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

ON BEHALF OF THE BOARD:

Fiona Thompson

Mrs F T Thompson - Secretary

31 January 2007

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
ACTIVE 8 CARE LTD**

We have audited the financial statements of Active 8 Care Ltd for the year ended 30 November 2006 on pages six to fifteen. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of directors and auditors

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on page two.

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

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

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

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

Basis of audit opinion

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

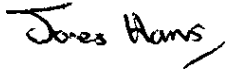
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
ACTIVE 8 CARE LTD**

Opinion

In our opinion

- the 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 30 November 2006 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements



Jones Harris
17 St Peter's Place
Fleetwood
Lancashire
FY7 6EB

31 January 2007

ACTIVE 8 CARE LTD

PROFIT AND LOSS ACCOUNT
for the year ended 30 November 2006

	Notes	2006 £	2005 £
TURNOVER		4,213,862	4,279,960
Cost of sales		317,954	281,985
GROSS PROFIT		3,895,908	3,997,975
Administrative expenses		3,443,395	3,700,867
OPERATING PROFIT	2	452,513	297,108
Interest receivable and similar income		5,349	2,918
		457,862	300,026
Interest payable and similar charges	3	27,161	25,904
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		430,701	274,122
Tax on profit on ordinary activities	4	130,419	13,397
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		300,282	260,725

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current year or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous year.

The notes form part of these financial statements

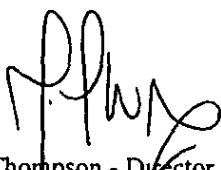
ACTIVE 8 CARE LTD

BALANCE SHEET
30 November 2006

	Notes	2006 £	2005 £
FIXED ASSETS			
Intangible assets	6	402,090	452,090
Tangible assets	7	252,346	352,915
		<u>654,436</u>	<u>805,005</u>
CURRENT ASSETS			
Stocks		2,000	2,000
Debtors	8	857,015	570,446
Cash at bank and in hand		78,370	353,866
		<u>937,385</u>	<u>926,312</u>
CREDITORS			
Amounts falling due within one year	9	1,221,150	1,419,540
NET CURRENT LIABILITIES		<u>(283,765)</u>	<u>(493,228)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>370,671</u>	<u>311,777</u>
CREDITORS			
Amounts falling due after more than one year	10	136,179	200,567
NET ASSETS		<u>234,492</u>	<u>111,210</u>
CAPITAL AND RESERVES			
Called up share capital	14	200	200
Profit and loss account	15	234,292	111,010
SHAREHOLDERS' FUNDS	18	<u>234,492</u>	<u>111,210</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

The financial statements were approved by the Board of Directors on 31 January 2007 and were signed on its behalf by:



A Thompson - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 November 2006

1 ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company

Turnover

Turnover represents invoiced sales of services, excluding value added tax

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2004, is being amortised evenly over its estimated useful life of ten years

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter

Boats	- 25% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

ACTIVE 8 CARE LTD**NOTES TO THE FINANCIAL STATEMENTS - continued**
for the year ended 30 November 2006**2 OPERATING PROFIT**

The operating profit is stated after charging/(crediting)

	2006	2005
	£	£
Other operating leases	159,000	90,740
Depreciation - owned assets	58,484	56,168
Depreciation - assets on hire purchase contracts	41,559	40,456
Loss/(Profit) on disposal of fixed assets	6,727	(1,100)
Goodwill amortisation	50,000	47,910
Auditors' remuneration	2,000	1,750
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	-	-
	<u> </u>	<u> </u>

3 INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	2006	2005
	£	£
Hire purchase	12,688	12,303
	<u> </u>	<u> </u>

4 TAXATION**Analysis of the tax charge**

The tax charge on the profit on ordinary activities for the year was as follows

	2006	2005
	£	£
Current tax		
UK corporation tax	130,419	13,397
	<u> </u>	<u> </u>
Tax on profit on ordinary activities	130,419	13,397
	<u> </u>	<u> </u>

ACTIVE 8 CARE LTD

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 November 2006

4 TAXATION - continued

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below

	2006 £	2005 £
Profit on ordinary activities before tax	<u>430,701</u>	<u>274,122</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2005 - 19%)	129,210	52,083
Effects of		
Expenditure not allowable for tax purposes	30	-
Depreciation for the year in excess of capital allowances	25,995	9,163
Profit on sale of assets	-	(209)
Loss on disposal of assets	2,018	-
Losses utilised in the year	-	(47,640)
Marginal relief	(26,834)	-
Current tax charge	<u>130,419</u>	<u>13,397</u>

5 DIVIDENDS

	2006 £	2005 £
Final	127,000	-
Interim	50,000	-
	<u>177,000</u>	<u>-</u>

6 INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 December 2005 and 30 November 2006	<u>500,000</u>
AMORTISATION	
At 1 December 2005	47,910
Amortisation for year	50,000
At 30 November 2006	<u>97,910</u>
NET BOOK VALUE	
At 30 November 2006	<u>402,090</u>
At 30 November 2005	<u>452,090</u>

ACTIVE 8 CARE LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 November 2006

7 TANGIBLE FIXED ASSETS

	Boats £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 December 2005	86,000	171,476	206,811	464,287
Additions	-	4,309	1,890	6,199
Disposals	-	-	(13,453)	(13,453)
At 30 November 2006	86,000	175,785	195,248	457,033
DEPRECIATION				
At 1 December 2005	23,400	28,333	59,638	111,371
Charge for year	21,500	26,368	52,175	100,043
Eliminated on disposal	-	-	(6,727)	(6,727)
At 30 November 2006	44,900	54,701	105,086	204,687
NET BOOK VALUE				
At 30 November 2006	41,100	121,084	90,162	252,346
At 30 November 2005	62,600	143,143	147,173	352,916

Fixed assets, included in the above, which are held under hire purchase contracts are as follows

	Motor vehicles £
COST	
At 1 December 2005	172,403
Disposals	(1,313)
Transfer to ownership	(6,165)
At 30 November 2006	164,925
DEPRECIATION	
At 1 December 2005	51,036
Charge for year	41,559
Eliminated on disposal	(657)
Transfer to ownership	(1,541)
At 30 November 2006	90,397
NET BOOK VALUE	
At 30 November 2006	74,528
At 30 November 2005	121,367

ACTIVE 8 CARE LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 November 2006

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Trade debtors	625,782	556,950
Other debtors	-	8,037
Directors' current accounts	209,608	-
Prepayments	21,625	5,459
	<u>857,015</u>	<u>570,446</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2006	2005
	£	£
Bank loans and overdrafts (see note 11)	44,199	42,990
Hire purchase contracts (see note 12)	30,262	45,063
Trade creditors	237,873	144,691
Tax	130,419	13,397
Social security and other taxes	159,641	94,687
Other creditors	-	13,560
Directors' current accounts	-	518,522
Accruals and deferred income	618,756	546,630
	<u>1,221,150</u>	<u>1,419,540</u>

10 CREDITORS. AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2006	2005
	£	£
Bank loans (see note 11)	101,590	133,910
Hire purchase contracts (see note 12)	34,589	66,657
	<u>136,179</u>	<u>200,567</u>

11 LOANS

An analysis of the maturity of loans is given below

	2006	2005
	£	£
Amounts falling due within one year or on demand.		
Bank overdrafts	31	-
Bank loans	44,168	42,990
	<u>44,199</u>	<u>42,990</u>
Amounts falling due between one and two years		
Bank loans - 1-2 years	47,031	45,528
	<u>47,031</u>	<u>45,528</u>

ACTIVE 8 CARE LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 November 2006

11 LOANS - continued

	2006	2005
	£	£
Amounts falling due between two and five years		
Bank loans - 2-5 years	<u>54,559</u>	<u>88,382</u>

12 OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2006	2005
	£	£
Gross obligations repayable		
Within one year	40,652	55,626
Between one and five years	<u>46,953</u>	<u>82,458</u>
	<u>87,605</u>	<u>138,084</u>
 Finance charges repayable		
Within one year	10,390	10,563
Between one and five years	<u>12,364</u>	<u>15,801</u>
	<u>22,754</u>	<u>26,364</u>
 Net obligations repayable		
Within one year	30,262	45,063
Between one and five years	<u>34,589</u>	<u>66,657</u>
	<u>64,851</u>	<u>111,720</u>

13 SECURED DEBTS

The following secured debts are included within creditors

	2006	2005
	£	£
Bank loans	145,758	176,900
Hire purchase contracts	<u>64,851</u>	<u>111,720</u>
	<u>210,609</u>	<u>288,620</u>

Hire purchase creditors are secured against the assets to which they relate

Bank loans are secured by a debenture given by the company and by personal guarantees given by the directors. The initial bank loan runs for a period of 4 years and interest is being charged at 1.25% above base Rate

ACTIVE 8 CARE LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 30 November 2006

14 CALLED UP SHARE CAPITAL

Authorised Number	Class	Nominal value	2006 £	2005 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid Number	Class	Nominal value	2006 £	2005 £
200	Ordinary	£1	<u>200</u>	<u>200</u>

15 RESERVES

	Profit and loss account £
At 1 December 2005	111,010
Profit for the year	300,282
Dividends	<u>(177,000)</u>
At 30 November 2006	<u>234,292</u>

16 TRANSACTIONS WITH DIRECTORS

The following loan to directors subsisted during the years ended 30 November 2006 and 30 November 2005

	2006 £	2005 £
A Thompson and Mrs F T Thompson		
Balance outstanding at start of year	-	-
Balance outstanding at end of year	209,608	-
Maximum balance outstanding during year	<u>209,608</u>	<u>-</u>

ACTIVE 8 CARE LTD

NOTES TO THE FINANCIAL STATEMENTS - continued for the year ended 30 November 2006

17 RELATED PARTY DISCLOSURES

Ultimate control of the company is held by Mr and Mrs A Thompson, the directors of the company, who, between them, own all of the issued share capital

Aggregate movements on the directors' loan accounts during the year were as follows -

	2006 £	2005 £
Balance brought forward	518,522	99,270
Amounts introduced	618,487	1,754,878
Amounts withdrawn	(1,346,617)	(1,335,626)
Balance carried forward	<u>(209,608)</u>	<u>518,522</u>

Rent of £159,000 (2005 - £90,740) has been paid to the directors in respect of the company's occupation of premises owned by the directors

The company's bank borrowings are secured by a personal guarantee given by the directors

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2006 £	2005 £
Profit for the financial year	300,282	260,725
Dividends	(177,000)	-
Net addition to shareholders' funds	<u>123,282</u>	<u>260,725</u>
Opening shareholders' funds	111,210	(149,515)
Closing shareholders' funds	<u>234,492</u>	<u>111,210</u>
Equity interests	<u>234,492</u>	<u>111,210</u>

ACTIVE 8 CARE LTD

TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 30 November 2006

	2006		2005
	£	£	£
Sales	4,213,862		4,279,960
Cost of sales			
Food & other residents' costs	317,954		281,985
GROSS PROFIT	3,895,908		3,997,975
Other income			
Deposit account interest	5,349		2,918
	3,901,257		4,000,893
Expenditure			
Rent	159,000		90,740
Rates and water	6,722		5,703
Insurance	91,475		106,651
Light and heat	30,359		24,010
Wages	2,547,282		2,636,944
Telephone	50,561		49,217
Post and stationery	19,255		40,189
Advertising	46,416		189,084
Travelling	11,083		25,457
Motor expenses	130,383		177,321
Repairs and renewals	67,096		64,410
Cleaning	12,457		18,473
Staff costs	4,336		-
Subscriptions & donations	60		949
Training	37,291		39,538
Sundry expenses	426		2,447
Professional fees	27,672		56,692
Legal fees	4,617		6,107
Auditors' remuneration	2,000		1,750
Auditors' remuneration for non audit work	31,516		3,995
	3,280,007		3,539,677
	621,250		461,216
Finance costs			
Bank charges	6,618		17,756
Bank interest	5,288		9,511
Bank loan interest	9,185		4,090
Hire purchase	12,688		12,303
	33,779		43,660
Carried forward	587,471		417,556

This page does not form part of the statutory financial statements

ACTIVE 8 CARE LTD

TRADING AND PROFIT AND LOSS ACCOUNT
for the year ended 30 November 2006

	2006		2005	
	£	£	£	£
Brought forward		587,471		417,556
Depreciation				
Goodwill	50,000		47,910	
Plant and machinery	21,500		21,600	
Fixtures and fittings	26,368		25,966	
Motor vehicles	52,175		49,058	
		<u>150,043</u>		<u>144,534</u>
		437,428		273,022
(Loss)/Profit on disposal of fixed assets				
Motor vehicles		<u>(6,727)</u>		<u>1,100</u>
NET PROFIT		<u><u>430,701</u></u>		<u><u>274,122</u></u>

This page does not form part of the statutory financial statements