

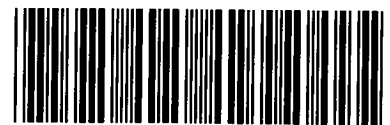
Company Registration No. 06253729

Cambian Signpost Limited

Report and Financial Statements

31 December 2013

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Cambian Signpost Limited

Report and financial statements 2013

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Cambian Signpost Limited

Report and financial statements 2013

Officers and professional advisers

Directors

M S Asaria
A Griffith
A Romero
M McQuaid

Secretary

T&H Secretarial Services Limited

Registered Office

3 Bunhill Row
London
EC1Y 8YZ

Auditor

Deloitte LLP
Chartered Accountants
London
United Kingdom

Cambian Signpost Limited

Strategic report

The directors present the Strategic report together with the audited financial statements for the year ended 31 December 2013.

Business review

The profit and loss account of the company is set out on page 8.

Turnover for the year was £2.3m (2012: £2.1m) and the company made a profit on ordinary activities before taxation of £0.6m (2012: £0.6m). Increase in revenue as a result of increased occupancy as well as favourable pricing with a decrease in operating profit mainly as a result of an increase in salaries and wages (refer note 4).

On 16 April 2014, the ultimate controlling company changed to Cambian Group Plc and listed on the London Stock Exchange through an initial public offering ("IPO").

Key performance indicators in the year include the following:


	2013	2012
Movement in revenue	10.83%	83.83%
Movement in operating profit	(7.28%)	91.13%

Business risks and strategy

The Company relies on publically funded entities in the UK for substantially all of its revenues and the loss, or reduction to such funding, or changes to procurement methods could negatively impact the Company's occupancy rates which could have a corresponding material adverse effect on the Group's business, results of operations, financial condition or prospects. The Company mitigates this risk by having established a good working relationship with its customers and by remaining in constant and transparent dialogue with the publically funded entities with which it does business.

The Company operates in a highly regulated business environment, which is subject to political and regulatory scrutiny. Failure to comply with regulations or the introduction of new regulations or standards with which the Company does not comply could lead to substantial penalties, including the loss of registration on some or all of the Company's facilities. The Company mitigates this risk by focussing on quality of care for its service users and consistently maintain high regulatory scores from its regulators.

Approved by the Board of Directors and signed on behalf of the Board



A Griffith

Director

2 October 2014

Cambian Signpost Limited

Directors' report

The directors present their report together with the audited financial statements for the year ended 31 December 2013.

Principal activities and future developments

The principal activity of the company is that of providing residential care facilities and education for young people who are profoundly deaf or who have significant hearing and communication difficulties. Its commitment is to provide its patients and service users with the most appropriate therapy and medical care services and to provide this service at a price that offers value for money and transparency to the NHS and other customers. The company provides a comprehensive service that includes psychiatric care, physiological care, occupational therapy, behavioural therapy, speech and language therapy, medical and nursing care.

Review of the business

The profit and loss account of the company is set out on page 8.

Turnover for the year was £2.3m (2012: £2.1m) and the company made a profit on ordinary activities before taxation of £0.6m (2012: £0.6m).

Key performance indicators in the year include the following:

	2013	2012
Movement in revenue	10.83%	83.83%
Movement in operating profit	(7.28%)	91.13%

On 16 April 2014, the ultimate controlling company changed to Cambian Group Plc and listed on the London Stock Exchange through an IPO.

The directors do not recommend payment of a dividend (2012: £Nil).

Principal risks and uncertainties

The market for the provision of services to patients and service users remains competitive. The risks to the company include policy changes by local and central government with regard to outsourcing of services, restriction on fee rates or changes in funding out of area placements. The company is mitigating these risks by providing a high quality transparent service and maintaining existing strong relationships through continued dialogue with our customers.

Financial risk management objectives and policies

Credit risk

The Company's principal financial assets are bank balances and cash, trade and other receivables.

The Company's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The company has no significant concentration of credit risk, with exposure spread over private customers and public organisations.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company uses facilities made available from other group companies.

Cambian Signpost Limited

Directors' report

Directors

The following directors have held office during the year.

M S Asaria

S Merali (Resigned 31 October 2013)

A Romero

M McQuaid

A Griffith (Appointed 25th October 2013)

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the abilities of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Group and the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Going concern

The ultimate controlling entity in the Group, Cambian Group Plc, listed on the London Stock Exchange on 16 April 2014 through an IPO. Additional funding was obtained from the issue of equity shares and additional debt facilities.

The directors have a reasonable expectation that the company and Cambian Group have sufficient funds available to continue in operational existence for the foreseeable future. Thus the accounts continue to be prepared on a going concern basis as outlined in note 1 of the financial statements.

Charitable and political contributions

During the year the Company made charitable donations of £6 (2012: £93), principally to local charities serving the communities in which the Company operates.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have been appointed as auditors and expressed their willingness to continue in office. Arrangements will be made for them to be deemed reappointed as auditor under the Companies Act 487 (2) unless the members exercise their rights to prevent reappointment.

Approved by the Board of Directors and signed on behalf of the Board



A Griffith

Director

21 October 2014

Cambian Signpost Limited

Directors' responsibilities statement

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 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; 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 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 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.

Cambian Signpost Limited

Independent auditor's report to the members of Cambian Signpost Limited

We have audited the financial statements of Cambian Signpost Limited for the year ended 31 December 2013 which comprise Profit and Loss Account, the Balance Sheet and the related notes 1 to 20. 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 Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements 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 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 December 2013 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 the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

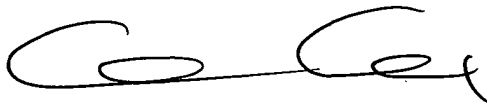
Cambian Signpost Limited

Independent auditor's report to the members of Cambian Signpost 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.



Emma Cox BA, ACA (Senior Statutory Auditor)

For and on behalf of Deloitte LLP

Chartered Accountants and Statutory Auditor

London, United Kingdom

23 October 2014

Cambian Signpost Limited

Profit and loss account Year ended 31 December 2013

	Notes	2013 £	2012 £
Turnover	2	2,348,603	2,119,147
Cost of sales		(1,246,315)	(1,073,228)
Gross profit		<u>1,102,288</u>	<u>1,045,919</u>
Administrative expenses		(489,879)	(385,437)
Operating profit	3	<u>612,409</u>	<u>660,482</u>
Interest receivable	5	31	641
Interest payable and similar charges	6	(6,674)	(7,649)
Profit on ordinary activities before taxation		<u>605,766</u>	<u>653,474</u>
Tax on profit on ordinary activities	7	15,489	(74,156)
Profit on ordinary activities after taxation		<u><u>621,255</u></u>	<u><u>579,318</u></u>

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

There are no recognised gains and losses other than those passing through the profit and loss account and accordingly no statement of total recognised gains and losses has been prepared.

The notes on pages 10 to 17 form an integral part of the financial statements.

Cambian Signpost Limited

Balance sheet 31 December 2013

	Notes	2013 £	2012 £
Fixed assets			
Tangible assets	8	652,783	581,291
Investments	9	16	16
		<u>652,799</u>	<u>581,307</u>
Current assets			
Debtors	10	237,486	255,739
Cash at bank and in hand		852,985	366,652
		<u>1,090,471</u>	<u>622,390</u>
Creditors: amounts falling due within one year	11	<u>(668,266)</u>	<u>(729,475)</u>
Net current assets/(liabilities)		<u>422,205</u>	<u>(107,085)</u>
Total assets less current liabilities		<u>1,075,004</u>	<u>474,222</u>
Provisions for liabilities	13	<u>(2,173)</u>	<u>(22,646)</u>
Net assets		<u>1,072,831</u>	<u>451,576</u>
Capital and reserves			
Called up share capital	14	10,000	10,000
Profit and loss account	15	1,062,831	441,576
Shareholders' funds	16	<u>1,072,831</u>	<u>451,576</u>

The notes on pages 10 to 17 form an integral part of the financial statements.

The financial statements of Cambian St Paul's Limited, registered number 06253729 were approved by the Board of Directors on 21 October 2014.

Signed on behalf of the Board of Directors



A Griffith

Director

Cambian Signpost Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies

The financial statements are prepared under the historical cost convention, and in accordance with applicable accounting standards, which have been applied consistently throughout the current and prior year.

Going concern

Since 16 April 2014 the company forms part of the group of companies under the ownership of Cambian Group Plc which underwent an IPO on the London Stock Exchange on the same date. The Group manages its funding on a group basis and, during the IPO process, raised £200m through an external debt facility with a syndicate of banks, refinancing the then existing debt facilities across the Group. All companies in the Group are cross guarantors and in considering their assessment of going concern, the Directors have reviewed the Group's cash flow and covenant forecasts, taking into account sensitivities to the key assumptions. Based on this exercise, the directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result from the basis of preparation being inappropriate.

Turnover

Turnover represents fees charged to external customers at invoiced amounts, stated net of any applicable value added tax. Turnover is recognised when the service is provided.

Cashflow statement

A consolidated cashflow is published in the group accounts of Care Aspirations Holdings Limited, within which the company is included. The company is therefore exempt under FRS 1 from publishing its own cashflow statement.

Tangible fixed assets and depreciation

All tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings	2% on a straight line basis
Computer equipment	33% on a straight line basis
Fixtures and fittings	25% on a straight line basis
Motor vehicles	25% on a straight line basis

Leases

Rent paid under operating leases is charged to the profit and loss account on a straight-line basis over the term of the lease.

Cambian Signpost Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies (continued)

Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date. A deferred tax asset is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from the future reversal of underlying timing differences can be deducted.

Pension costs

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

Related party transactions

Related party transactions are made on terms equivalent to those that prevail in arm's length transactions. Amounts receivable/owed to group undertakings attract interest at market related rates and are repayable on demand.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity which is wholly undertaken in the United Kingdom.

3. Operating profit

	2013 £	2012 £
Operating profit is stated after charging:		
Depreciation of tangible assets	84,063	47,002
Audit fees	5,000	-
Pension costs	-	8,904
Hire of land and buildings – operating leases	77,877	41,870
Hire of other assets – operating leases	41,503	16,453

Cambian Signpost Limited

Notes to the financial statements Year ended 31 December 2013

4. Employees

Number of employees

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

	2013	2012
Nursing, care and support staff	38	35
Management and administration	22	10
	<u>59</u>	<u>45</u>

Employment costs

The total employment costs of employees during the year were:

	2013 £	2012 £
Wages and salaries	1,030,461	906,028
Social Security costs	91,599	78,324
Other pension costs	8,142	8,904
	<u>1,130,202</u>	<u>993,256</u>

Directors were remunerated through other group companies.

5. Interest receivable

	2013 £	2012 £
Bank interest receivable	<u>31</u>	<u>641</u>

6. Interest payable and similar charges

	2013 £	2012 £
Bank interest and charges	<u>6,674</u>	<u>7,649</u>

Cambian Signpost Limited

Notes to the financial statements Year ended 31 December 2013

7. Taxation

	2013 £	2012 £
UK Corporation tax		
Current tax on profit for the year	-	39,158
Adjustment in respect of previous periods	4,984	39,002
	<hr/>	<hr/>
Current tax charge	4,984	78,160
Deferred tax		
Current year	(11,718)	5,183
Effect of rate change	(2,082)	(1,519)
Adjustment in respect of prior years	(6,672)	(7,668)
	<hr/>	<hr/>
	(20,473)	(4,004)
	<hr/>	<hr/>
Total tax charge on profit on ordinary activities	(15,489)	(74,158)
	<hr/>	<hr/>
The tax assessed for the period differs from the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:		
Profit on ordinary activities before taxation	605,766	653,474
	<hr/>	<hr/>
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.25% (2012:24.5 %)	140,840	160,101
	<hr/>	<hr/>
Effects of:		
Capital allowances in excess of depreciation	13,334	(5,521)
Non-deductible expenses	5,595	2,052
Adjustment in respect of prior periods	4,984	39,002
Group relief claimed for nil consideration	(160,053)	(117,474)
Short term timing differences	284	
	<hr/>	<hr/>
Current tax charge	4,984	78,160
	<hr/>	<hr/>

In March 2013, the UK Government announced a reduction in the standard rate of UK corporation tax to 23% effective 1 April 2013. This rate reduction was substantively enacted in July 2013.

In March 2014, the UK Government announced the main rate of UK corporation tax would reduce to 21% with effect from 1 April 2014, with subsequent 1% reductions annually to 20% by April 2015. These changes have not yet been substantively enacted.

Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date. Accordingly, the reduction to 22% has been taken into account when measuring the deferred tax assets and liabilities at 31 December 2013.

Cambian Signpost Limited

Notes to the financial statements Year ended 31 December 2013

8. Tangible fixed assets

	Land and Buildings £	Fixtures and Fittings £	Motor Vehicles £	Plant, Property and Equipment £	Total £
Cost					
At 1 January 2013	421,102	16,031	6,545	298,480	742,158
Additions	56,322	85,156	-	14,077	155,555
Disposals	-	(29,823)	300	(11,989)	(41,512)
Reclassification	-	259,975	-	(259,975)	-
At 31 December 2013	477,424	331,339	6,845	40,593	856,201
Depreciation					
At 1 January 2013	17,038	1,000	2,210	140,619	160,867
Charge for the year	9,339	62,487	1,445	10,792	84,063
Disposals	-	(29,823)	300	(11,989)	(41,512)
Reclassification	-	121,047	-	(121,047)	-
At 31 December 2013	26,377	154,711	3,955	18,375	203,418
Net book value					
At 31 December 2013	451,047	176,628	2,890	22,218	652,783
At 31 December 2012	404,064	15,031	4,335	157,861	581,291

9. Fixed Asset Investments

	Group Shares £	Investments £	Total £
Cost			
At 1 January 2013	1	15	16
At 31 December 2013	1	15	16
Net book value			
At 31 December 2013	1	15	16
At 31 December 2012	1	15	16

The Group shares are an investment in Cambian Signpost Care Services Limited (100%), incorporated in the UK, which was dormant for the year ended 31st December 2013.

Cambian Signpost Limited

Notes to the financial statements Year ended 31 December 2013

10. Debtors

	2013 £	2012 £
Trade debtors	199,522	212,279
Other debtors	9,960	25,361
Prepayments and accrued income	28,004	18,099
	<u>237,486</u>	<u>255,739</u>

11. Creditors: amounts falling due within one year

	2013 £	2012 £
Trade creditors	10,651	34,670
Taxation and social security	47,681	67,562
Other creditors	127,245	173,892
Corporation tax	43,131	146,355
Amounts owed to group undertakings	154,876	16,750
Accruals and deferred income	284,682	290,246
	<u>668,266</u>	<u>729,475</u>

All amounts due to group undertakings are repayable on demand.

12. Operating lease commitments

The following operating lease payments for property are committed to be paid under non-cancellable leases as set out below:

	2013		2012	
	Land and buildings £	Other £	Land and buildings £	Other £
Expiring				
Within one year	84,880	-	86,993	-
Between two and five years	128,138	-	142,169	-
Balance at 31 December	<u>213,018</u>	<u>-</u>	<u>229,162</u>	<u>-</u>

13. Provisions for liabilities and charges

	2013 £	2012 £
Opening Balance 1 January	22,646	26,650
Deferred tax credit in the year	(20,473)	(4,004)
Balance at 31 December	<u>2,173</u>	<u>22,646</u>

Cambian Signpost Limited

Notes to the financial statements Year ended 31 December 2013

13. Provisions for liabilities and charges (continued)

Deferred tax provision relates to:

Accelerated capital allowances	2,582	23,120
Other timing differences	(409)	(474)
	<u>2,173</u>	<u>22,646</u>

14. Share capital

	2013 £	2012 £
Allotted, called up and fully paid 10,000 Ordinary 'A' shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

15. Profit and loss account

	2013 £	2012 £
Balance at 1 January	441,576	421,258
Retained result for the year	621,255	579,318
Dividend paid	-	(550,000)
Issue of shares during the year	-	(9,000)
	<u>1,062,831</u>	<u>441,576</u>

16. Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	621,255	579,318
Dividend paid	-	(550,000)
Withdrawal of distributable reserves	-	(9,000)
Issue of shares during the year	-	9,000
	<u>621,255</u>	<u>29,318</u>
Net addition to shareholders' funds	621,255	29,318
Opening shareholders' funds	451,576	422,259
	<u>1,072,831</u>	<u>451,576</u>

17. Related party transactions

As the company is a wholly owned subsidiary of Care Aspirations Holdings Limited, the company has taken advantage of the exemption contained in FRS8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of Care Aspirations Holdings Limited, within which this company is included, can be obtained from PO Box 521, 9 Burrard Street, St Helier, Jersey, JE4 5UF.

Cambian Signpost Limited

Notes to the financial statements Year ended 31 December 2013

18. Capital commitments

At 31 December 2013 the company was committed to making the following annual payments under non-cancellable operating leases:

	2013		2012	
	Land and buildings £	Other £	Land and buildings £	Other £
Operating leases which expire:				
Within one year	45,500	39,380	60,000	26,993
Between two and five years	78,150	49,988	123,650	18,519
More than five years	-	-	-	-
	<u>123,650</u>	<u>89,368</u>	<u>183,650</u>	<u>45,511</u>

The above table shows the amount which is due annually in respect of operating lease commitments, and the term of that commitment.

19. Ultimate controlling party

The immediate parent is Care Aspirations Developments Limited, a private company incorporated in the United Kingdom.

The immediate parent company is Care Aspirations Developments Limited, a company registered in England and Wales and a wholly owned subsidiary of Care Aspirations Holdings Limited, a company registered in Jersey, which is the largest group undertaking for which group accounts are drawn up. The registered office is at 9 Burrard Street, St Helier, Jersey, JE4 5UE.

20. Subsequent events

On 16 April 2014, the ultimate controlling party changed to Cambian Group Plc which undertook an IPO on the London Stock Exchange on the same date. At the time of the IPO, the Group raised £200m through a new external debt facility. All companies in the Group are cross guarantors.