

Company Registration No. SC96630

ADVANCED SPECIALIST CARE LIMITED

Report and Financial Statements

30 April 2012

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ADVANCED SPECIALIST CARE LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

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ADVANCED SPECIALIST CARE LIMITED

REPORT AND FINANCIAL STATEMENTS 2012

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

Anthony Banks

SECRETARY

Martin Feeney

REGISTERED OFFICE

Earn House
Lamberkine Drive
Perth
Scotland
PH1 1RA

INDEPENDENT AUDITOR

Deloitte LLP
Saltire Court
20 Castle Terrace
Edinburgh
EH1 2DB

ADVANCED SPECIALIST CARE LIMITED

DIRECTOR'S REPORT

The director presents the annual report and the audited financial statements for the year ended 30 April 2012. This director's report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' regime.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is the provision of residential care for adults with learning difficulties. The results for the year are shown on page 6. The director is satisfied with the results for the year.

GOING CONCERN

The company's borrowings are all through the parent company, Balhousie Holdings Limited (together with its subsidiaries "the Group"). The company is reliant on the Group for continued financial support.

The Group is funded by cash flows from operations and bank term loan facilities. The Group renegotiated the terms of these banking facilities in April 2012, including the interest cost, repayment terms and the financial covenants attaching to the facilities. The quantum of the available facilities remains unchanged.

The director has prepared consolidated forecasts and projections that take account of reasonable possible changes in trading performance, including care home occupancy levels. These projections show that the company and Group should be able to operate within the existing covenanted resources available to it, for a period of not less than twelve months from the date of approving these financial statements.

Therefore, the director has a reasonable expectation that the company and the Group have adequate resources to continue in operational existence for the foreseeable future and for this reason, they continue to adopt the going concern basis in preparing the annual report and financial statements.

DIRECTORS

The directors who served during the year and to the date of this report were:

Anthony Banks
Graham Ogilvie (resigned 3 May 2012)

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who is a director at the time when this director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing his report 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.

This report was approved by the board on 27 March 2013.



Anthony Banks
Director

ADVANCED SPECIALIST CARE LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED SPECIALIST CARE LIMITED

We have audited the financial statements of Advanced Specialist Care Limited for the year ended 30 April 2012 which comprise the profit and loss account, the statement of total recognised gains and losses, the balance sheet and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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 director and auditor

As explained more fully in the Director's Responsibilities Statement, the director is 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.

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 director; 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. 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 30 April 2012 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

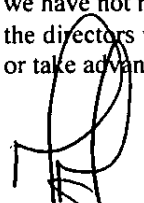
In our opinion the information given in the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ADVANCED SPECIALIST CARE LIMITED (CONTINUED)

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime or take advantage of the small companies exemption in preparing the Director's Report.



Michael McGregor ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Edinburgh, United Kingdom
28 March 2013

ADVANCED SPECIALIST CARE LIMITED

PROFIT AND LOSS ACCOUNT Year ended 30 April 2012

	Note	2012 £000	2011 £000
TURNOVER	1	1,953	1,715
Cost of sales		(906)	(701)
GROSS PROFIT		1,047	1,014
Administrative expenses		(170)	(145)
OPERATING PROFIT: continuing operations	2	877	869
Interest payable		-	(1)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		877	868
Tax on profit on ordinary activities	4	(95)	(47)
PROFIT FOR THE FINANCIAL YEAR	11	782	821

All of the activities of the company are classed as continuing.

ADVANCED SPECIALIST CARE LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES For the year ended 30 April 2012

	2012 £000	2011 £000
PROFIT FOR THE FINANCIAL YEAR	782	821
Unrealised surplus/(deficit) on revaluation of tangible fixed assets (Note 5)	1,626	(81)
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	<u>2,408</u>	<u>740</u>

ADVANCED SPECIALIST CARE LIMITED

BALANCE SHEET 30 April 2012

	Note	2012 £000	2011 £000
FIXED ASSETS			
Tangible assets	5	9,233	5,623
CURRENT ASSETS			
Stocks		-	5
Debtors	6	129	930
Cash at bank and in hand		49	-
		178	935
CREDITORS: amounts falling due within one year	7	(1,242)	(889)
NET CURRENT (LIABILITIES)/ASSETS		(1,064)	46
TOTAL ASSETS LESS CURRENT LIABILITIES		8,169	5,669
CREDITORS: amounts falling due after one year	8	(10)	(13)
PROVISIONS FOR LIABILITIES			
Deferred tax	9	(179)	(84)
		7,980	5,572
CAPITAL AND RESERVES			
Called up share capital	10	50	50
Revaluation reserve	11	5,049	3,423
Profit and loss account	11	2,881	2,099
SHAREHOLDERS' FUNDS		7,980	5,572

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements of Advanced Specialist Care Limited registered number SC96630, were approved and authorised for issue by the board on 27 March 2013.



Anthony Banks
Director

ADVANCED SPECIALIST CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 30 April 2012

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below and have been applied consistently throughout the current and preceding financial year.

Basis of preparation

The financial statements are prepared under the historical cost convention as modified by the revaluation of freehold property and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The Group and company's principal liquidity risks and uncertainties are detailed in the Director's Report on pages 2 and 3. The director has also prepared projections for a period exceeding 12 months from the date of approval of these financial statements which show that the Group and the company are forecast to be able to comply with the terms of the financing in place. Accordingly they continue to adopt the going concern basis of accounting in preparing these financial statements.

Turnover

Turnover comprises revenue recognised by the company in respect of fees charged to private and local authority residents. Revenue is recognised over the period in which the fees fall due.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

Furniture, fittings and equipment	15% straight line
Motor vehicles	25% straight line

No depreciation is provided on freehold property in the current and preceding year. The director considers that this accounting policy, which represents a departure from the statutory accounting rules, is necessary to provide a true and fair view as permitted under FRS15 'Tangible fixed assets'.

The company has a policy and practice of regular maintenance and repairs (charges for which are recognised in the profit and loss account) such that the freehold property is kept to its previously assessed standards of performance. As a result the property maintains a high residual value and any depreciation is not considered material.

Revaluation of tangible fixed assets

Freehold property is carried at current year value at the balance sheet date. A full valuation is obtained from a qualified valuer for each property every five years, with an interim valuation three years after the previous full valuation, and in any year where it is likely that there has been a material change in value.

Revaluation gains and losses are recognised in the statement of total recognised gains and losses unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the losses are recognised in the profit and loss account.

Stocks

Stocks comprise care home consumables and are stated at cost. Provision is made for obsolete and slow moving stocks.

ADVANCED SPECIALIST CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2012

1. ACCOUNTING POLICIES (CONTINUED)

Deferred Taxation

Current tax, comprising UK corporation tax, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax 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 or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net 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 from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Hire purchase transactions

Assets held under hire purchase transactions, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital elements of future obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding.

2. OPERATING PROFIT

The operating profit is stated after charging:-

	2012 £000	2011 £000
Depreciation of tangible fixed assets:		
- owned by the company	26	22
- leased assets	5	-
Auditor's remuneration	-	1

Audit fees were borne by Balhousie Care Limited. The director estimated fees payable in relation to this company amounted to £2,500 (2011: £2,500).

During the year, no director received any emoluments (2011 - £nil) for services for the company. The directors were also directors of, and were remunerated by, the parent company, Balhousie Holdings Limited in both years.

3. STAFF COSTS

Staff costs were as follows:

	2012 £000	2011 £000
Wages and salaries	816	614
The average monthly number of employees, including the directors, during the year was as follows:	2012	2011
Home staff	48	40

ADVANCED SPECIALIST CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2012

4. TAXATION

	2012 £000	2011 £000
Analysis of tax charge in the year		
Current tax		
UK corporation tax charge on profit for the year	-	28
Total current tax	-	28
Deferred tax (see note 9)		
Origination and reversal of timing differences	95	19
Tax on profit on ordinary activities	95	47

5. TANGIBLE FIXED ASSETS

	Freehold property £000	Furniture, fittings and equipment £000	Motor vehicles £000	Total £000
Cost or valuation				
At 1 May 2011	5,526	389	27	5,942
Additions	1,942	73	-	2,015
Revaluation surplus	1,626	-	-	1,626
At 30 April 2012	9,094	462	27	9,583
Depreciation				
At 1 May 2011	-	310	9	319
Charge for the year	-	25	6	31
At 30 April 2012	-	335	15	350
Net book value				
At 30 April 2012	9,094	127	12	9,233
At 30 April 2011	5,526	79	18	5,623

ADVANCED SPECIALIST CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) Year ended 30 April 2012

5 TANGIBLE FIXED ASSETS (CONTINUED)

Cost or valuation at 30 April 2012 is as follows:

	Freehold Property £000
At historic cost	4,045
Valuation	5,049
At 30 April 2012	9,094

The director has reviewed the freehold property valuation and concluded there has been a material change in the value of the care home at Orchard Court following its opening and achieving mature levels of occupancy in the year. An increase of £1.6m has been recognised. Orchard Court was valued by Savills (members of the Royal Institute of Chartered Surveyors) on a projected basis in June 2011. The director considered that there are no substantive changes in the underlying assumptions upon which Savills determined their projected value. The redeveloped home at Dalguise was revalued by Savills in June 2012 and no material change in value was noted. There has been no other material changes in value since the last independent valuation of the other care home prepared by Savills on 25 January 2010 including the market and operational assumptions upon which that valuation was determined.

The net book value of assets held under hire purchase agreements at 30 April 2012 is £12,000 (2011 – £17,621).

6. DEBTORS

	2012 £000	2011 £000
Due within one year		
Trade debtors	66	80
Amounts owed by group undertakings	-	781
Prepayments and accrued income	63	69
	<u>129</u>	<u>930</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2012 £000	2011 £000
Bank loans and overdrafts	-	42
Trade creditors	-	33
Amounts owed to group undertaking	1,196	720
Corporation tax	-	27
Other creditors	-	1
Hire purchase creditors	3	4
Accruals and deferred income	43	62
	<u>1,242</u>	<u>889</u>

At the year end the company had granted a first standard security over its properties, together with a bond and floating charge, as security for the bank borrowings of its parent company Balhousie Holdings Limited. The company is an additional guarantor under the terms of the Group's syndicated arrangement between Santander

ADVANCED SPECIALIST CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2012

and Co-operative Bank. The total borrowings outstanding at the balance sheet date in relation to this facility amounted to £37,913,722 (2011 - £33,958,995).

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

Lloyds Banking Group provide the operational banking facility and they also have a floating charge over the assets of the company.

8. CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR

	2012 £000	2011 £000
Hire purchase creditors	10	13

Hire purchase creditors are secured over the assets to which they relate.

9. DEFERRED TAX

	2012 £000	2011 £000
At beginning of year	84	65
Charged during year	109	19
Effect of change in tax rate	(14)	-
At end of year	179	84

The deferred tax balance is made up as follows:

	2012 £000	2011 £000
Capital allowances in excess of depreciation	179	84

10. SHARE CAPITAL

	2012 £000	2011 £000
Called up, allotted and fully paid 50,000 ordinary shares of £1 each	50	50

11. RESERVES

	Revaluation reserve £	Profit and loss £
At 1 May 2011	3,423	2,099
Profit for the year	-	782
Revaluation of freehold property (Note 5)	1,626	-
At 30 April 2012	5,049	2,881

ADVANCED SPECIALIST CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

Year ended 30 April 2012

12. DIVIDENDS

	2012 £000	2011 £000
Dividends paid of £nil (2011 - £5.04) per ordinary share	-	252

13. CAPITAL COMMITMENTS

At 30 April 2012 the company had capital commitments as follows:

	2012 £000	2011 £000
Contracted for but not provided in these financial statements	-	1,370

14. RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary of Balhousie Holdings Limited, the consolidated accounts of which are publicly available from the Register of Companies. Accordingly, the company has taken advantage of the exemption in FRS 8 from disclosing transactions with members of the Balhousie Care Group.

15. ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The ultimate parent company is Balhousie Holdings Limited, a company registered in Scotland, which prepared consolidated financial statements available from Companies House, Fountainbridge, Edinburgh. The director, Anthony Banks, controls Balhousie Holdings Limited and is therefore considered to be the ultimate controlling party of the company.