

**Company Registration No. 02441624**

**CMG (Domiciliary Care Investments) Ltd  
(formerly Blocklin Holdings Limited)**

**Report and Financial Statements**

**28 February 2013**



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**CMG (Domiciliary Care Investments) Ltd (formerly Blocklin Holdings Limited)**

**Report and financial statements 2013**

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**CMG (Domiciliary Care Investments) Ltd (formerly Blockln Holdings Limited)**

**Report and financial statements 2013**

**Officers and professional advisers**

**Directors**

P Kinsey  
D Spruzen

**Secretary**

G J Fitton

**Registered office**

The Care House  
Randalls Way  
Leatherhead  
Surrey  
KT22 7TW

**Bankers**

NatWest  
PO Box 3415  
Bishopsgate  
London  
EC2P 2AP

**Auditor**

Deloitte LLP  
Reading

## **CMG (Domiciliary Care Investments) Ltd (formerly Blocklin Holdings Limited)**

### **Directors' report (continued)**

The directors present their annual report and the audited financial statements for the year ended 28 February 2013. The Company has taken advantage of the small Company exemption accorded by S415(A) of the Companies Act 2006 not to prepare an enhanced business review.

#### **Principal activity and Business Review**

The Company's principal activity is to act as an intermediate holding Company for the Group, whose principal activity is providing residential care, domiciliary care and supported living services for people with learning disabilities and complex needs including mental health needs.

The name of the Company was changed to CMG (Domiciliary Care Investments) Ltd on 7 December 2012.

On 15 December 2012, the Company purchased the share capital of Community Home Care (Sussex) Limited, a provider of domiciliary care services, for a cash consideration of £385,000.

#### **Results and dividends**

The trading results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The Company did not pay a dividend during the year (2012: £nil).

#### **Going concern**

CMG (Domiciliary Care Investments) Ltd is part of the CMG Group, of which CMG Investment Holdings Limited is the ultimate parent Company.

The directors have carefully considered the going concern basis underlying the preparation of the financial statements.

Recent trading activity across the Group has been in line with expectations. Referral levels have been maintained during the year and the quality of the services continued to improve which in turn lead to improved occupancy levels. This occupancy growth is expected to continue in the following year. The business is cash generative and funds have been continued to be reinvested to increase capacity levels and drive growth.

Management have prepared detailed forecasts for the Group for the period to June 2015. Net debt levels, servicing costs and covenant requirements are closely monitored and managed according to strict management processes. Management have considered the expected availability of working capital and achievement of covenants required.

Further information is included in the notes to these financial statements.

The directors believe that the Group and the Company are well placed to manage its risks successfully despite the current economic conditions which create uncertainty.

Based on their forecast review and other factors described above, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

#### **Directors**

The directors who served the Company during the year and since the year end are set out on page 1.

**CMG (Domiciliary Care Investments) Ltd (formerly Blocklin Holdings Limited)**

**Directors' report (continued)**

**Auditors**

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

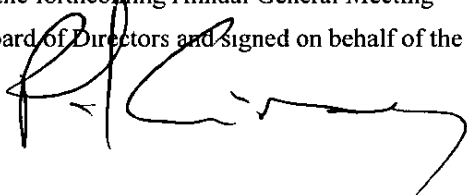
- (1) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (2) the directors have taken all the steps that they ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are 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 expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting

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

P Kinsey, Director  
02 May 2013



## **CMG (Domiciliary Care Investments) Ltd (formerly Blocklin Holdings Limited)**

### **Statement of Directors' responsibilities For the year ended 28 February 2013**

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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

The directors are responsible for keeping 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.

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## **CMG (Domiciliary Care Investments) Ltd (formerly Blocklin Holdings Limited)**

### **Independent auditors' report to the members of CMG Domiciliary Care Investments Limited (formerly Blocklin Holdings Limited)**

We have audited the financial statements of CMG Domiciliary Care Investments Limited for the year ended 28 February 2013 which comprise the Balance Sheet and the related notes 1 to 11. 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 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**

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 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 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 28 February 2013 and of its result 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## **CMG (Domiciliary Care Investments) Ltd (formerly Blockln Holdings 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
- the directors were not entitled to take advantage of the small companies exemption in preparing the directors' report, or
- we have not received all the information and explanations we require for our audit

*Deloitte LLP*

Jason Davies (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Chartered Accountants and Statutory Auditor  
Reading, United Kingdom

2 May 2013



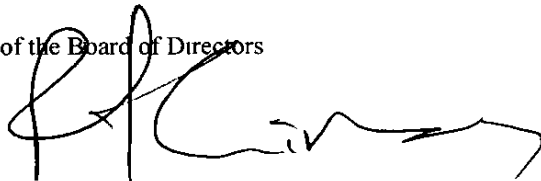
**CMG (Domiciliary Care Investments) Ltd (formerly Blocklin Holdings Limited)**

**Balance sheet  
28 February 2013**

	Note	2013 £	2012 £
<b>Fixed assets</b>			
Investments	3	918,380	500,000
<b>Net current assets</b>		-	-
<b>Total assets less current liabilities</b>		918,380	500,000
<b>Creditors: amounts falling after more than one year</b>	4	(821,244)	(402,864)
<b>Net assets</b>		97,136	97,136
<b>Capital and reserves</b>			
Called up share capital	6	500	500
Profit and loss account	7	96,636	96,636
<b>Total shareholder's funds</b>	8	97,136	97,136

These financial statements of Company number 02441624 were approved by the Board of Directors on 02 May 2013

Signed on behalf of the Board of Directors



P Kinsey  
Director

## **CMG (Domiciliary Care Investments) Ltd (formerly Blocklin Holdings Limited)**

### **Notes to the financial statements For the year ended 28 February 2013**

#### **1. Accounting policies**

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

##### **Going concern**

CMG Domiciliary Care Investments Limited is part of the CMG Group, of which CMG Investment Holdings Limited is the ultimate parent Company.

The directors have carefully considered the going concern basis underlying the preparation of the financial statements.

Recent trading activity has been in line with expectations. Referral levels have been maintained during the year and the quality of the services continued to improve which in turn lead to improved occupancy levels. This occupancy growth is expected to continue in the following year. The business is cash generative and funds have been continued to be reinvested to increase capacity levels and drive growth.

Management have prepared detailed forecasts for the period to June 2015. Net debt levels, servicing costs and covenant requirements are closely monitored and managed according to strict management processes. Management have considered the expected availability of working capital and achievement of covenants required.

Management note that the loan facility used to finance the Group is due for renewal on 20 June 2015.

The directors believe that the Company is well placed to manage its risks successfully despite the current economic conditions which create uncertainty.

Based on their forecast review and other factors described above, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis has been adopted in preparing the annual report and financial statements.

##### **Cash and cash flow statement**

The Company is a wholly-owned subsidiary of CMG Investment Holdings Limited and is included in the consolidated financial statements of that Company, which are publicly available. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

##### **Operating leases**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

##### **Taxation**

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

## CMG (Domiciliary Care Investments) Ltd (formerly Blocklin Holdings Limited)

### Notes to the financial statements (continued) Year ended 28 February 2013

#### 1. Accounting policies (continued)

##### Taxation (continued)

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse.

#### 2. Profit and loss account

The Company did not trade during the current or prior year, accordingly no profit or loss account is presented.

The directors received remuneration paid by Care Management Group Limited in respect of their services to Group Companies. The portion that relates to the Company is £nil (2012: £nil).

#### 3. Investments in subsidiary undertakings

	£
<b>Cost and net book value</b>	
At 29 February 2012	500,000
Purchase of Community Home Care (Sussex) Limited (15 December 2012)	418,380
	<u>918,380</u>
At 28 February 2013	<u>918,380</u>

The following investments were held at the end of the year:

Name of undertaking	Description of shares held	Principal activity	Shareholding
Community Home Care (Sussex) Limited	Ordinary shares of £1 each	Domiciliary Care Services	100%
Blocklin House Limited	Ordinary shares of £1 each	Dormant Company	100%

#### 4. Creditors: amounts falling after more than one year

	2013 £	2012 £
Amounts owed to Group undertakings	<u>821,244</u>	<u>402,864</u>

#### 5. Financial commitments

The Company is party to cross guarantees for the bank debts due by all Companies within the CMG Investment Holdings Limited Group. Total amounts due as at 28 February 2013 amounted to £112,484,051 (2012: 110,252,993).

#### 6. Called up share capital

	2013 £	2012 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted, called up and fully paid</b>		
500 Ordinary shares of £1 each	<u>500</u>	<u>500</u>

## CMG (Domiciliary Care Investments) Ltd (formerly Blocklin Holdings Limited)

### Notes to the financial statements (continued)

Year ended 28 February 2013

#### 7. Profit and loss account

	2013 £	2012 £
At the beginning and end of the year	<u>96,636</u>	<u>96,636</u>

The Company's audit fee was borne by a subsidiary undertaking, Care Management Group Limited and was not recharged in the current or preceding year. The audit fee relating to the Company was £5,000 (2012: £nil).

#### 8. Reconciliation of movements in shareholder's funds

	2013 £	2012 £
At the beginning and end of the year	<u>97,136</u>	<u>97,136</u>

#### 9. Acquisitions

On 15 December 2012, CMG (Domiciliary Care Investments) Limited completed the acquisition of 100% of the ordinary share capital of Community Home Care (Sussex) Limited, a Company incorporated in the United Kingdom which provides domiciliary nursing and care services. The fair value of the total consideration was £418,380.

As required under FRS 7 "Fair values in acquisition accounting", a process to update the provisional fair value of the net assets acquired during the period will be undertaken in the year ended 28 February 2014.

The following tables set out the book values of the identifiable assets and liabilities acquired and their provisional fair values.

Cash consideration	385
Acquisition costs	33
Total consideration	<u>418</u>
Provisional fair value of net assets acquired (see below)	<u>(17)</u>
Goodwill (recognised at consolidated Group level – CMG Investment Holdings Limited)	<u>401</u>

The provisional fair value and book value of net assets acquired are broken down as follows

	£
Debtors	47
Cash	25
Creditors	(55)
	<u>17</u>

Net cash outflow as a result of the acquisition comprised

Consideration	(418)
Cash at bank and in hand acquired	25
	<u>(393)</u>

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**CMG (Domiciliary Care Investments) Ltd (formerly Blocklin Holdings Limited)**

**Notes to the financial statements (continued)**

**Year ended 28 February 2013**

**10. Related party transactions**

The Company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the CMG Investment Holdings Limited Group

**11. Ultimate parent Company and controlling party**

CMG Investment Holdings Limited is the ultimate parent undertaking of the Company. The majority of the issued ordinary share capital of CMG Investment Holdings Limited is held by funds advised by Court Cavendish Limited.

CMG Investment Holdings Limited is the only Group Company to consolidate these financial statements for the year ended 28 February 2013.