

Company Registration No. 03812402 (England and Wales)

**RADIS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**



# **RADIS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	S R Patel D R Patel
<b>Secretary</b>	S R Patel
<b>Company number</b>	03812402
<b>Registered office</b>	Mercia House 15 Galena Close Tamworth Staffordshire B77 4AS
<b>Auditor</b>	Mercer & Hole Silbury Court 420 Silbury Boulevard Central Milton Keynes Buckinghamshire MK9 2AF
<b>Bankers</b>	Royal Bank of Scotland 24 Southernhay Basildon Essex SS14 1ER

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# **RADIS LIMITED**

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# **RADIS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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

#### **Fair review of the business**

Trading conditions remained difficult in 2017 as Local Authorities continued to face significant budget pressures with most fee rate reviews failing to fully fund increases in costs. The group increased turnover to £26,515,248 (2016: £23,687,199) through these limited fee increases, underlying movements in contracts and new contract wins. Inevitably, margins continued to experience pressure as costs continued to rise, particularly the additional cost of National Living Wage, introduction of the apprenticeship levy and associated employment on-costs resulting in a reduction in gross profit margins to 27.1% (2016: 28.7%). The group will continue to review contracts for financial viability and strategic benefit and maintain its active dialogue on viability and cost pressures with Local Authority customers.

Investment in branch and support staff, new contract implementations, IT expenditure and significant increases in a number of general costs lines – particularly those of business insurance, CQC registration, travelling expenses and printing and stationery – have resulted in an increase in administrative expenses to £6,776,798 (2016: £6,003,992). The group will continue to manage the pressures on administrative costs as part of its business strategy.

#### **Principal risks and uncertainties**

The principal risks and uncertainties continue to be the following:

##### *Reliance on Local Authority customers*

This risk is managed by maintaining close relations with those customers and also looking for opportunities to expand into the private payer market.

##### *Compliance with regulations*

The group employs suitably qualified staff and provides access to staff training to ensure they remain compliant with the regulations of the sector.

##### *Retention and quality of staff*

Retention of good quality staff is an ongoing problem in a sector which is traditionally low paid. The group ensures it complies with the requirements of the National Minimum and Living Wages legislation.

#### **Development and performance**

Trading conditions are expected to continue to be difficult with the continuing pressure on margins, however, demand for care and support services continues to be high and we do expect to grow through new contracts where these have a strategic or value enhancing benefit, growth of the private payer market and carefully targeted acquisitions.

#### **Key performance indicators**

The directors consider the key performance indicators to be turnover, gross margins and operating profit which are consistent with the size and complexity of the business.

On behalf of the board



S R Patel

Director

30 May 2018

# **RADIS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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

#### **Principal activities**

The principal activity of the group continued to be the provision of care and support services to vulnerable people in the community.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S R Patel

D R Patel

#### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £100,000. The directors do not recommend payment of a further dividend.

#### **Disabled persons**

The group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

#### **Employee involvement**

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

#### **Future developments**

The group continues to seek further opportunities to develop the business and additional services.

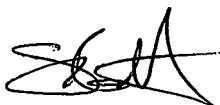
#### **Auditor**

The auditor, Mercer & Hole, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



S R Patel

**Director**

30 May 2018

# **RADIS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 AUGUST 2017***

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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 group and company, and of the profit or loss of the group 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **RADIS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF RADIS LIMITED**

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### **Opinion**

We have audited the financial statements of Radis Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 August 2017 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 August 2017 and of the group's 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.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# **RADIS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RADIS LIMITED**

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### **Opinions on other matters prescribed by the Companies Act 2006**

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

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

### **Responsibilities of directors**

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **RADIS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RADIS LIMITED**

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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.

*Mercer & Hole*

**Andrew Lawes MA MSc FCA (Senior Statutory Auditor)**  
for and on behalf of Mercer & Hole

30 May 2018

**Chartered Accountants**  
**Statutory Auditor**

Silbury Court  
420 Silbury Boulevard  
Central Milton Keynes  
Buckinghamshire  
MK9 2AF

# **RADIS LIMITED**

## **GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	2017 £	2016 £
Turnover	3	26,515,248	23,687,199
Cost of sales		(19,334,944)	(16,877,824)
<b>Gross profit</b>		<b>7,180,304</b>	<b>6,809,375</b>
Administrative expenses		(6,776,798)	(6,003,992)
<b>Operating profit</b>	4	<b>403,506</b>	<b>805,383</b>
Interest receivable and similar income	7	132	902
Interest payable and similar expenses	8	(637)	1,463
<b>Profit before taxation</b>		<b>403,001</b>	<b>807,748</b>
Tax on profit	9	(98,243)	(217,683)
<b>Profit for the financial year</b>	23	<b>304,758</b>	<b>590,065</b>

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company,

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

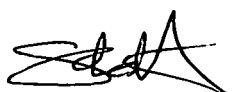
# RADIS LIMITED

## GROUP BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Goodwill	11		92,813		179,769
Other intangible assets	11		50,394		64,744
Total intangible assets			143,207		244,513
Tangible assets	12		252,565		224,930
			395,772		469,443
<b>Current assets</b>					
Debtors	16	4,438,611		3,411,972	
Cash at bank and in hand		1,483,243		1,484,658	
		5,921,854		4,896,630	
<b>Creditors: amounts falling due within one year</b>	17	(2,934,123)		(2,178,021)	
<b>Net current assets</b>			2,987,731		2,718,609
<b>Total assets less current liabilities</b>			3,383,503		3,188,052
<b>Creditors: amounts falling due after more than one year</b>	18		(41,984)		(55,066)
<b>Provisions for liabilities</b>	21		(6,097)		(2,322)
<b>Net assets</b>			3,335,422		3,130,664
<b>Capital and reserves</b>					
Called up share capital	22		126,316		126,316
Share premium account	23		93,684		93,684
Profit and loss reserves	23		3,115,422		2,910,664
<b>Total equity</b>			3,335,422		3,130,664

The financial statements were approved by the board of directors and authorised for issue on 30 May 2018 and are signed on its behalf by:



S R Patel  
Director

# RADIS LIMITED

## COMPANY BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	12	144,885		161,990	
Investments	13	1,184,484		1,184,484	
		<u>1,329,369</u>		<u>1,346,474</u>	
<b>Current assets</b>					
Debtors	16	-		5,717	
		<u>-</u>		<u>5,717</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(1,034,170)</u>		<u>(987,009)</u>	
<b>Net current liabilities</b>		<u>(1,034,170)</u>		<u>(981,292)</u>	
<b>Total assets less current liabilities</b>		<u>295,199</u>		<u>365,182</u>	
<b>Creditors: amounts falling due after more than one year</b>	18	<u>(40,801)</u>		<u>(51,044)</u>	
<b>Net assets</b>		<u><u>254,398</u></u>		<u><u>314,138</u></u>	
<b>Capital and reserves</b>					
Called up share capital	22	126,316		126,316	
Share premium account	23	93,684		93,684	
Profit and loss reserves	23	34,398		94,138	
<b>Total equity</b>		<u><u>254,398</u></u>		<u><u>314,138</u></u>	

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £40,260 (2016 - £40,335 profit).

The financial statements were approved by the board of directors and authorised for issue on 30 May 2018 and are signed on its behalf by:



S R Patel  
Director

Company Registration No. 03812402

# RADIS LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 September 2015</b>		126,316	93,684	2,420,599	2,640,599
<b>Year ended 31 August 2016:</b>					
Profit and total comprehensive income for the year		-	-	590,065	590,065
Dividends	10	-	-	(100,000)	(100,000)
<b>Balance at 31 August 2016</b>		126,316	93,684	2,910,664	3,130,664
<b>Year ended 31 August 2017:</b>					
Profit and total comprehensive income for the year		-	-	304,758	304,758
Dividends	10	-	-	(100,000)	(100,000)
<b>Balance at 31 August 2017</b>		126,316	93,684	3,115,422	3,335,422

# RADIS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 September 2015</b>		126,316	93,684	153,803	373,803
<b>Year ended 31 August 2016:</b>					
Profit and total comprehensive income for the year		-	-	40,335	40,335
Dividends	10	-	-	(100,000)	(100,000)
<b>Balance at 31 August 2016</b>		126,316	93,684	94,138	314,138
<b>Year ended 31 August 2017:</b>					
Profit and total comprehensive income for the year		-	-	40,260	40,260
Dividends	10	-	-	(100,000)	(100,000)
<b>Balance at 31 August 2017</b>		126,316	93,684	34,398	254,398

# RADIS LIMITED

## GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	29		(67,098)		693,789
Interest paid			(637)		1,463
Income taxes paid			(233,413)		(147,483)
<b>Net cash (outflow)/inflow from operating activities</b>			(301,148)		547,769
<b>Investing activities</b>					
Purchase of business		-		(71,751)	
Purchase of tangible fixed assets		(95,422)		(25,350)	
Interest received		132		902	
<b>Net cash used in investing activities</b>			(95,290)		(96,199)
<b>Financing activities</b>					
Repayment of bank loans		(9,973)		(195,668)	
Payment of finance leases obligations		(2,839)		(2,839)	
Dividends paid to equity shareholders		(100,000)		(100,000)	
<b>Net cash used in financing activities</b>			(112,812)		(298,507)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(509,250)		153,063
Cash and cash equivalents at beginning of year			1,458,703		1,305,640
<b>Cash and cash equivalents at end of year</b>			949,453		1,458,703
<b>Relating to:</b>					
Cash at bank and in hand			1,483,243		1,484,658
Bank overdrafts included in creditors payable within one year			(533,790)		(25,955)

# **RADIS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1 Accounting policies**

##### **Company information**

Radis Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Mercia House, 15 Galena Close, Tamworth, Staffordshire, B77 4AS.

The group consists of Radis Limited and all of its subsidiaries.

##### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements have been prepared with early application of the FRS 102 Triennial Review 2017 amendments in full.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £40,260 (2016 - £40,335 profit).

##### **1.2 Basis of consolidation**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.



# **RADIS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **1 Accounting policies**

**(Continued)**

The consolidated financial statements incorporate those of Radis Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

#### **1.3 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company and group have adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.4 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the provision of professional services is recognised by reference to the date of provision of the services.

#### **1.5 Intangible fixed assets - goodwill**

Goodwill is written off in equal annual instalments over its estimated useful economic life of between 5 and 8 years.

#### **1.6 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost or value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Contracts	5 years straight line
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#### **1.7 Tangible fixed assets**

Tangible fixed assets other than freehold land are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	5% per annum
Fixtures, fittings & equipment	5 years straight line
Computer equipment	3 years straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

#### 1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.9 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

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### 1 Accounting policies

(Continued)

#### 1.10 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

---

### 1 Accounting policies

(Continued)

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# **RADIS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 AUGUST 2017**

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### **1 Accounting policies**

**(Continued)**

#### **1.14 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.15 Retirement benefits**

The group operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

The group also participates in two multi-employer defined benefit pension schemes, the Local Government Pension scheme and the NHS Pension scheme. Under the TUPE arrangements for employees who were already members of these schemes when their employment contracts were transferred to the company, the company's obligations are to pay current contributions but have been indemnified by the relevant local authority to contribute towards any scheme deficit that may exist.

As such, the schemes have been accounted for a defined contribution pension scheme and the pension costs in respect of these schemes represent contributions payable in the period.

#### **1.16 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets' fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

### **2 Judgements and key sources of estimation uncertainty**

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Provision of care and support services	26,515,248	23,687,199

	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	132	902

	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	26,515,248	23,687,199

### 4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Depreciation of owned tangible fixed assets	66,287	66,072
Depreciation of tangible fixed assets held under finance leases	1,500	1,385
Amortisation of intangible assets	101,306	276,235
Operating lease charges	272,021	316,663

### 5 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	8,997	8,660
Audit of the financial statements of the company's subsidiaries	26,000	26,000
	34,997	34,660

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2017 Number	2016 Number	Company 2017 Number	2016 Number
Carers	1,509	1,382	-	-
Office and support staff	162	144	-	-
	<u>1,671</u>	<u>1,526</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Wages and salaries	21,135,958	18,375,219	-	-
Social security costs	1,249,550	1,036,497	-	-
Pension costs	219,547	229,221	-	-
	<u>22,605,055</u>	<u>19,640,937</u>	<u>-</u>	<u>-</u>

#### 7 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	107	864
Other interest income	25	38
	<u>132</u>	<u>902</u>

#### 8 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and loans	274	(1,506)
Other interest	363	43
	<u>637</u>	<u>(1,463)</u>

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 9 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	93,603	218,636
Adjustments in respect of prior periods	865	441
Total current tax	94,468	219,077
<b>Deferred tax</b>		
Origination and reversal of timing differences	3,775	(1,394)
Total tax charge for the year	98,243	217,683

The actual charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	403,001	807,748
Expected tax charge based on the standard rate of corporation tax in the UK of 19.58% (2016: 20.00%)	78,908	161,550
Tax effect of expenses that are not deductible in determining taxable profit	18,612	55,806
Change in unrecognised deferred tax assets	(142)	-
Effect of change in corporation tax rate	-	(62)
Other permanent differences	-	(52)
Under/(over) provided in prior years	865	441
Taxation charge for the year	98,243	217,683

### 10 Dividends

	2017 £	2016 £
Interim paid	100,000	100,000



# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 11 Intangible fixed assets

Group	Goodwill £	Contracts £	Total £
<b>Cost</b>			
At 1 September 2016 and 31 August 2017	5,411,625	71,751	5,483,376
<b>Amortisation and impairment</b>			
At 1 September 2016	5,231,856	7,007	5,238,863
Amortisation charged for the year	86,956	14,350	101,306
At 31 August 2017	5,318,812	21,357	5,340,169
<b>Carrying amount</b>			
At 31 August 2017	92,813	50,394	143,207
At 31 August 2016	179,769	64,744	244,513

The company had no intangible fixed assets at 31 August 2017 or 31 August 2016.

### 12 Tangible fixed assets

Group	Land and buildings Freehold £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2016	342,092	81,169	190,863	7,500	621,624
Additions	-	16,340	79,082	-	95,422
At 31 August 2017	342,092	97,509	269,945	7,500	717,046
<b>Depreciation and impairment</b>					
At 1 September 2016	180,103	65,984	148,645	1,962	396,694
Depreciation charged in the year	17,105	9,361	39,821	1,500	67,787
At 31 August 2017	197,208	75,345	188,466	3,462	464,481
<b>Carrying amount</b>					
At 31 August 2017	144,884	22,164	81,479	4,038	252,565
At 31 August 2016	161,989	15,185	42,218	5,538	224,930

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 12 Tangible fixed assets

(Continued)

Company	Land and buildings Freehold
	£
<b>Cost</b>	
At 1 September 2016 and 31 August 2017	342,092
<b>Depreciation and impairment</b>	
At 1 September 2016	180,102
Depreciation charged in the year	17,105
At 31 August 2017	197,207
<b>Carrying amount</b>	
At 31 August 2017	144,885
At 31 August 2016	161,990

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2017 £	2016 £	Company 2017 £	2016 £
Motor vehicles	4,038	5,538	-	-
Depreciation charge for the year in respect of leased assets	1,500	1,385	-	-

### 13 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	14	-	-	1,184,484	1,184,484

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 13 Fixed asset investments

(Continued)

#### Movements in fixed asset investments Company

Shares in  
group  
undertakings  
£

#### Cost or valuation

At 1 September 2016 and 31 August 2017

1,184,484

#### Carrying amount

At 31 August 2017

1,184,484

At 31 August 2016

1,184,484

### 14 Subsidiaries

Details of the company's subsidiaries at 31 August 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
County Home Care Services Limited	England & Wales	Domiciliary care	Ordinary	100.00	
GP Homecare Limited	England & Wales	Domiciliary care	Ordinary	100.00	
Greenslade Services Limited	England & Wales	Supply of healthcare services	Ordinary	100.00	
Radis Staff Solutions Limited	England & Wales	Supply of cleaning staff	Ordinary & Preference	100.00	
Riverside Healthcare (Shropshire) Limited	England & Wales	Dormant	Ordinary A&B	100.00	
Virtue Care Services Limited	England & Wales	Dormant	Ordinary	100.00	

### 15 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	2,762,448	2,400,383	n/a	n/a
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	2,671,559	1,879,861	n/a	n/a

As permitted by the reduced disclosure framework within FRS 102, the company has taken advantage of the exemption from disclosing the carrying amount of certain classes of financial instruments, denoted by 'n/a' above.

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 16 Debtors

	Group 2017	2016	Company 2017	2016
Amounts falling due within one year:	£	£	£	£
Trade debtors	2,698,515	2,371,114	-	2
Corporation tax recoverable	15,000	-	-	-
Other debtors	48,110	29,269	-	-
Prepayments and accrued income	1,676,986	1,011,589	-	5,715
	<u>4,438,611</u>	<u>3,411,972</u>	<u>-</u>	<u>5,717</u>

### 17 Creditors: amounts falling due within one year

		Group 2017	2016	Company 2017	2016
	Notes	£	£	£	£
Bank loans and overdrafts	19	542,241	34,136	91,335	34,136
Obligations under finance leases	20	2,839	2,839	-	-
Other borrowings	19	121,502	121,502	121,502	121,502
Trade creditors		156,121	147,507	-	-
Amounts due to group undertakings		-	-	813,891	818,920
Corporation tax payable		32,881	156,826	2,283	1,918
Other taxation and social security		271,667	196,400	-	-
Other creditors		74,940	67,666	-	-
Accruals and deferred income		1,731,932	1,451,145	5,159	10,533
		<u>2,934,123</u>	<u>2,178,021</u>	<u>1,034,170</u>	<u>987,009</u>

### 18 Creditors: amounts falling due after more than one year

		Group 2017	2016	Company 2017	2016
	Notes	£	£	£	£
Bank loans and overdrafts	19	40,801	51,044	40,801	51,044
Obligations under finance leases	20	1,183	4,022	-	-
		<u>41,984</u>	<u>55,066</u>	<u>40,801</u>	<u>51,044</u>

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 19 Loans and overdrafts

	Group 2017 £	2016 £	Company 2017 £	2016 £
Bank loans	49,252	59,225	49,252	59,225
Bank overdrafts	533,790	25,955	82,884	25,955
Other loans	121,502	121,502	121,502	121,502
	<u>704,544</u>	<u>206,682</u>	<u>253,638</u>	<u>206,682</u>
Payable within one year	663,743	155,638	212,837	155,638
Payable after one year	<u>40,801</u>	<u>51,044</u>	<u>40,801</u>	<u>51,044</u>

The bank loan and overdraft is secured by fixed charges over the company's assets.

The bank loan is repayable by 2023.

### 20 Finance lease obligations

	Group 2017 £	2016 £	Company 2017 £	2016 £
Future minimum lease payments due under finance leases:				
Within one year	2,839	2,839	-	-
In two to five years	1,183	4,022	-	-
	<u>4,022</u>	<u>6,861</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3-5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2017

#### 21 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
<b>Group</b>		
Accelerated capital allowances	8,394	4,728
Retirement benefit obligations	(2,297)	(2,406)
	<u>6,097</u>	<u>2,322</u>

The company has no deferred tax assets or liabilities.

	Group 2017 £	Company 2017 £
<b>Movements in the year:</b>		
Liability at 1 September 2016	2,322	-
Charge to profit or loss	3,775	-
	<u>6,097</u>	<u>-</u>
Liability at 31 August 2017	<u>6,097</u>	<u>-</u>

The deferred tax liability set out above relates to accelerated capital allowances that are expected to reverse over the lifetime of the assets. the deferred tax asset relates to retirement benefit obligations which are deductible when paid and is expected to reverse within 12 months.

#### 22 Share capital

	Group and company 2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
4,000 "A" ordinary shares of £1 each	4,000	4,000
116,000 "B" ordinary shares of £1 each	116,000	116,000
6,316 "C" ordinary shares of £1 each	6,316	6,316
	<u>126,316</u>	<u>126,316</u>

All classes of shares rank pari passu save in respect of dividends.

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 23 Reserves

#### Share premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### Profit and loss reserves

This reserve includes all current and prior period retained profits and losses.

### 24 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	210,199	203,240	-	-
Between two and five years	432,275	225,632	-	-
In over five years	14,667	13,867	-	-
	<u>657,141</u>	<u>442,739</u>	<u>-</u>	<u>-</u>

### 25 Events after the reporting date

Since the balance sheet date the company has completed the purchase of a property for £476,000. The purchase was financed by borrowing of £357,000.

### 26 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	<u>191,205</u>	<u>193,411</u>

# RADIS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

### 26 Related party transactions

(Continued)

#### Transactions with related parties

The group has taken advantage of the exemption available in the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") whereby it has not disclosed transactions between wholly owned undertakings.

GP Homecare Ltd also paid rent to Ridge/Patel Partnership amounting to £44,000 (2016: £44,000), a partnership in which D R Patel, a shareholder in Radis Ltd, is a partner.

Included in creditors falling due within one year (note 17) is a loan from directors of £121,502 (2016: £121,502).

### 27 Directors' transactions

Dividends totalling £68,000 (2016: £68,000) were paid in the year in respect of shares held by the company's directors.

### 28 Controlling party

The ultimate controlling parties are the Directors S R Patel and D R Patel and other family members.

### 29 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	304,758	590,065
Adjustments for:		
Taxation charged	98,243	217,683
Finance costs	637	(1,463)
Investment income	(132)	(902)
Amortisation and impairment of intangible assets	101,306	276,235
Depreciation and impairment of tangible fixed assets	67,787	67,457
Movements in working capital:		
(Increase) in debtors	(1,011,639)	(288,686)
Increase/(decrease) in creditors	371,942	(166,600)
<b>Cash (absorbed by)/generated from operations</b>	<b>(67,098)</b>	<b>693,789</b>