

Company Registration No 02768075 (England and Wales)

FAMILY CARE HOMES LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2013

FRIDAY



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FAMILY CARE HOMES LIMITED

COMPANY INFORMATION

Directors	Edward Coombes Sydney Coombes Vadivambikai Coombes
Secretary	Haley Coombes
Company number	02768075
Registered office	69-85 Tabernacle Street London EC2A 4RR
Auditors	The Gallagher Partnership LLP 69-85 Tabernacle Street London EC2A 4RR
Business address	Unit 6 Invicta Way Manston Park Ramsgate Kent CT12 5FD

FAMILY CARE HOMES LIMITED

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FAMILY CARE HOMES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 28 FEBRUARY 2013

The directors present their report and financial statements for the year ended 28 February 2013

Principal activities and review of the business

The company's principle activity during the year continues to be that of a provider of Specialist Healthcare for Intellectual Disabilities in residential and community homes. The 2013 Year accounts represent the true reflection of our business trading for a given financial year.

The results for the year which are set out in the Profit and Loss account, show operating profit before tax of £636,188 (compared to £421,801 for the short period 2012).

Integration of Family Care Homes business into the Optima Care Group continued through the trading year, with focus on introducing both financial and service efficiencies. Throughout this period, the trading brands remained separate, and it is envisaged the integration of Family Care Homes into the Optima Care brand will complete towards the end of 2013.

The organisation continues to meet its financial and statutory obligations, this is achieved through strong financial controls, specifically around cashflow and working capital. This continues to be prevalent over the coming years as Health and Social Care funders look to reduce their budgets under central government austerity measures. The Board will continue to ensure quality of care is maintained as a primary objective during this period.

Description of principal risks and uncertainties

The Board considers the primary risk to be associated with continued funding pressures from the commissioning authorities, specifically Local Authorities who are under the greatest budgetary constraints.

In addition, the transition from Primary Care Trusts to Clinical Commissioning Groups introduces new commissioning and contracting approaches which require continued management for existing and new placements.

Overall, the organisation continues to trade as expected through difficult economic and commissioning environments, where the latter has seen some of the most significant changes in the past fifteen years.

The Board remains optimistic that the organisation provides key service offerings in Intellectual Disability services across the South East, and continues to meet commissioning demand.

Analysis based on key performance indicators

	12 months to 28 February 2013	8 months to 29 February 2012
	£	£
Turnover	5,165,542	3,569,323
Gross profit margin	40.75%	42.72%
EBITDA	867,438	553,428
Profit before tax	636,188	421,801
Shareholders funds	572,881	134,758

FAMILY CARE HOMES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

Results and dividends

The results for the period are set out on page 6

The Directors do not recommend payment of a final dividend

It is proposed that the retained profit of £438,123 is transferred to reserves

Future developments

The external environment is expected to remain competitive going forward, however the directors remain confident that the company's profitability for 2013 is expected to be significantly improved

Directors

The following directors have held office since 1 March 2012

Edward Coombes
Sydney Coombes
Vadivambikai Coombes

Auditors

The Gallagher Partnership LLP were appointed auditors to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

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

The directors are responsible for keeping 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

FAMILY CARE HOMES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors 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 company's auditors are aware of that information.

Going concern

The directors have continued to adopt the going concern basis in preparing the financial statements for the reasons disclosed in note 19 of the accounts.

On behalf of the board



Edward Coombes

Director

15 November 2013

FAMILY CARE HOMES LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FAMILY CARE HOMES LIMITED

We have audited the financial statements of Family Care Homes Limited for the year ended 28 February 2013 set out on pages 6 to 17. 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 set out on pages 1 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' 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 28 February 2013 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

FAMILY CARE HOMES LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF FAMILY CARE HOMES LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit


Andrew Jepson (Senior Statutory Auditor)
for and on behalf of The Gallagher Partnership LLP

Chartered Accountants
Statutory Auditors

27/1/14

69-85 Tabernacle Street
London
EC2A 4RR

FAMILY CARE HOMES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 28 FEBRUARY 2013

	Notes	2013 £	2012 £
Turnover	2	5,165,542	3,569,323
Cost of sales		(3,060,668)	(2,044,475)
Gross profit		2,104,874	1,524,848
Administrative expenses		(1,468,488)	(1,102,738)
Operating profit	3	636,386	422,110
Other interest receivable and similar income	4	8	30
Interest payable and similar charges	5	(206)	(339)
Profit on ordinary activities before taxation		636,188	421,801
Tax on profit on ordinary activities	6	(198,065)	(131,650)
Profit for the year	16	438,123	290,151

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

There are no recognised gains and losses other than those passing through the profit and loss account

FAMILY CARE HOMES LIMITED

BALANCE SHEET

AS AT 28 FEBRUARY 2013

	Notes	28 February 2013 £	£	29 February 2012 £	£
Fixed assets					
Intangible assets	8	637,709		683,309	
Tangible assets	9	5,557,666		5,612,952	
		<u>6,195,375</u>		<u>6,296,261</u>	
Current assets					
Debtors	10	507,454		654,290	
Cash at bank and in hand		273,131		710,665	
		<u>780,585</u>		<u>1,364,955</u>	
Creditors' amounts falling due within one year	11	(1,034,741)		(1,114,706)	
Net current (liabilities)/assets		<u>(254,156)</u>		<u>250,249</u>	
Total assets less current liabilities		<u>5,941,219</u>		<u>6,546,510</u>	
Creditors' amounts falling due after more than one year	12	(5,368,338)		(6,411,752)	
		<u>572,881</u>		<u>134,758</u>	
Capital and reserves					
Called up share capital	15	100		100	
Profit and loss account	16	572,781		134,658	
Shareholders' funds	17	<u>572,881</u>		<u>134,758</u>	

Approved by the Board and authorised for issue on 15 November 2013


Edward Coombes
Director

Company Registration No 02768075

FAMILY CARE HOMES LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 28 FEBRUARY 2013

	2013	2012
£	£	£
Net cash inflow from operating activities	877,941	615,389
Returns on investments and servicing of finance		
Interest received	8	30
Interest paid	(206)	(339)
Net cash outflow for returns on investments and servicing of finance	(198)	(309)
Taxation	(141,697)	(132)
Capital expenditure		
Payments to acquire tangible assets	(130,166)	(232,217)
Net cash outflow for capital expenditure	(130,166)	(232,217)
Equity dividends paid	-	(350,000)
Net cash inflow before management of liquid resources and financing	605,880	32,731
Financing		
Other new long term loans	(1,043,414)	497,070
Capital element of hire purchase contracts	-	(1,784)
Net cash (outflow)/inflow from financing	(1,043,414)	495,286
(Decrease)/increase in cash in the year	(437,534)	528,017

FAMILY CARE HOMES LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2013

1	Reconciliation of operating profit to net cash inflow from operating activities			2013	2012
				£	£
	Operating profit			636,386	422,110
	Depreciation of tangible assets			185,452	100,918
	Amortisation of intangible assets			45,600	30,400
	Decrease/(increase) in debtors			151,568	(327,898)
	(Decrease)/Increase in creditors within one year			(141,065)	389,859
	Net cash inflow from operating activities			877,941	615,389

2	Analysis of net debt	1 March 2012	Cash flow	Other non-cash changes	28 February 2013
		£	£	£	£
	Net cash				
	Cash at bank and in hand	710,665	(437,534)	-	273,131
		710,665	(437,534)	-	273,131
	Debt				
	Debts falling due after one year	(6,411,752)	1,043,414	-	(5,368,338)
	Net debt	(5,701,087)	605,880	-	(5,095,207)

3	Reconciliation of net cash flow to movement in net debt			2013	2012
				£	£
	(Decrease)/increase in cash in the year			(437,534)	528,017
	Cash outflow/(inflow) from decrease/(increase) in debt			1,043,414	(495,286)
	Movement in net debt in the year			605,880	32,731
	Opening net debt			(5,701,087)	(5,733,818)
	Closing net debt			(5,095,207)	(5,701,087)

FAMILY CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2013

1 Accounting policies

A summary of principal accounting policies, all of which have been applied consistently throughout the year and the preceding period, is set out below

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for the provision of care and accommodation. Where the amount received relates to a period which covers the balance sheet date it is apportioned over the period to which it relates

1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of 20 years

1.5 Tangible fixed assets and depreciation

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

Land and buildings Freehold	over 50 years on a straight line basis
Office equipment	over 4 years on straight line basis
Fixtures, fittings & equipment	over 4 years on a straight line basis
Motor vehicles	33% per annum on a reducing balance basis

During the period these methods were amended in order to be consistent with that of the parent company

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period

1.7 Pensions

The pension cost charged in the financial statements represents the contributions payable by the company during the year

1.8 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

FAMILY CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

1 Accounting policies (continued)

1.9 Going Concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

2 Turnover

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

3 Operating profit	2013 £	2012 £
Operating profit is stated after charging		
Amortisation of intangible assets	45,600	30,400
Depreciation of tangible assets	185,452	100,918

Auditors' remuneration

Fees payable to the company's auditor for the audit of the company's annual accounts
Taxation compliance services
Non-audit work

14,000	12,750
4,000	3,000
-	7,000
18,000	22,750

4 Investment income	2013 £	2012 £
Bank interest	8	30
	8	30

5 Interest payable	2013 £	2012 £
Hire purchase interest	206	339

FAMILY CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

6	Taxation	2013 £	2012 £
	Domestic current year tax		
	U K corporation tax	202,797	138,523
	Adjustment for prior years	-	1,477
	Total current tax	<u>202,797</u>	<u>140,000</u>
	Deferred tax		
	Deferred tax charge/credit current year	(4,732)	(8,350)
		<u>198,065</u>	<u>131,650</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>636,188</u>	<u>421,801</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 24.00% (2012 - 26.00%)	<u>152,685</u>	<u>109,668</u>
	Effects of		
	Non deductible expenses	1,191	551
	Depreciation add back	55,452	34,143
	Capital allowances	(7,957)	(5,839)
	Adjustments to previous periods	-	1,477
	Other tax adjustments	1,426	-
		<u>50,112</u>	<u>30,332</u>
	Current tax charge for the year	<u>202,797</u>	<u>140,000</u>
7	Dividends	2013 £	2012 £
	Ordinary interim paid	<u>-</u>	<u>350,000</u>

FAMILY CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2013

8 Intangible fixed assets

	Goodwill £
Cost	
At 1 March 2012 & at 28 February 2013	942,612
Amortisation	
At 1 March 2012	259,303
Charge for the year	45,600
At 28 February 2013	304,903
Net book value	
At 28 February 2013	637,709
At 29 February 2012	683,309

9 Tangible fixed assets

	Land and buildings Freehold £	Office equipment £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 March 2012	5,911,424	183,002	281,960	310,245	6,686,631
Additions	92,925	5,589	30,035	1,617	130,166
At 28 February 2013	6,004,349	188,591	311,995	311,862	6,816,797
Depreciation					
At 1 March 2012	384,738	117,305	266,287	305,349	1,073,679
Charge for the year	125,291	34,705	24,614	842	185,452
At 28 February 2013	510,029	152,010	290,901	306,191	1,259,131
Net book value					
At 28 February 2013	5,494,320	36,581	21,094	5,671	5,557,666
At 29 February 2012	5,526,686	65,697	15,673	4,896	5,612,952

Fixed assets include £1,390,448 (2012 £1,390,448) in respect of land which is not subject to depreciation

FAMILY CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

10 Debtors	2013 £	2012 £
Trade debtors	433,510	567,378
Other debtors	39,636	55,536
Prepayments and accrued income	6,826	8,626
Deferred tax asset (see note 13)	27,482	22,750
	<u>507,454</u>	<u>654,290</u>
11 Creditors amounts falling due within one year	2013 £	2012 £
Trade creditors	119,375	105,347
Corporation tax	341,313	280,213
Other taxes and social security costs	42,463	97,709
Accruals and deferred income	531,590	631,437
	<u>1,034,741</u>	<u>1,114,706</u>
12 Creditors amounts falling due after more than one year	2013 £	2012 £
Amounts owed to group undertakings	<u>5,368,338</u>	<u>6,411,752</u>

FAMILY CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2013

13 Provisions for liabilities

The deferred tax asset (included in debtors, note 10) is made up as follows:

	2013 £
Balance at 1 March 2012	(22,750)
Profit and loss account	(4,732)
Balance at 28 February 2013	<u>(27,482)</u>

	2013 £	2012 £
Decelerated capital allowances	<u>(27,482)</u>	<u>(22,750)</u>

14 Pension and other post-retirement benefit commitments

The company contributes to certain employees personal pension plans. The assets of the plans are held separately from those of the company in independently administered funds. The pension cost charge represents contributions paid by the company to the funds.

	2013 £	2012 £
Contributions payable by the company for the year	<u>618</u>	<u>-</u>

15 Share capital

	2013 £	2012 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

FAMILY CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2013

16 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 March 2012	134,658
Profit for the year	438,123
	<u>572,781</u>
Balance at 28 February 2013	<u>572,781</u>

17 Reconciliation of movements in shareholders' funds

	2013 £	2012 £
Profit for the financial year	438,123	290,151
Dividends	-	(350,000)
	<u>438,123</u>	<u>(59,849)</u>
Net addition to/(depletion in) shareholders' funds	438,123	(59,849)
Opening shareholders' funds	134,758	194,607
	<u>572,881</u>	<u>134,758</u>
Closing shareholders' funds	<u>572,881</u>	<u>134,758</u>

18 Employees

Number of employees

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

	2013 Number	2012 Number
Care and domestic	159	168
Administration	5	5
	<u>164</u>	<u>173</u>

Employment costs

	2013 £	2012 £
Wages and salaries	2,445,918	1,780,334
Social security costs	181,792	141,645
Other pension costs	618	-
	<u>2,628,328</u>	<u>1,921,979</u>

FAMILY CARE HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2013

19 Control

The company's immediate parent company is Family Care Homes (Holdings) Limited, a company registered in England and Wales. The ultimate parent company is Optima Care Limited, a company registered in England and Wales.

20 Related party relationships and transactions

The company has taken advantage of the exemption available in FRS 8 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.