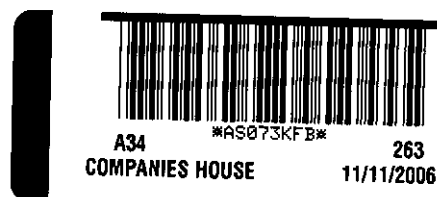


**Brain Injury Rehabilitation Care Centres Limited**

**Directors' report and financial  
statements**

**Registered number 2957629**

**31 May 2006**



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## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 May 2006. The company is wholly owned by The Disabilities Trust, a company limited by guarantee.

### Principal activities

With effect from midnight on 31 May 2005 operations ceased and the company became dormant. The two properties owned by BIRCC were sold to the parent company, a charity, at market valuation and its net assets and liabilities, excluding cash, were assigned at book value to the Brain Injury Rehabilitation Trust ("BIRT"), a subsidiary charity of the parent company, The Disabilities Trust. The brain injury services continued to operate seamlessly thereafter through the Brain Injury Rehabilitation Trust. Approval for this course of action was sought from and granted by The Charity Commission.

The only transactions during the year related to interest received on money on deposit prior to the repayment of the loan to the parent company The Disabilities Trust and settlement of Gift aid relating to the year ended 31 May 2005. Prior to the repayment of the loan, interest was paid to The Disabilities Trust

### Dividends and transfer to reserves

No dividend payments were made in the year.

The loss for the year transferred from reserves by the company after distributing available funds to its parent company by way of gift aid is £13,530.

### Directors

The directors who held office during the year were as follows:

Mr G Anderson

Mr C Hedley

The directors who held office during and at the end of the financial year had no interest or right to subscribe for shares and debentures of the company. No director holds any material interest in the contracts of the company.

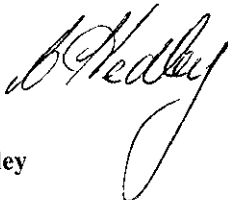
### Political and charitable contributions

The company made no political contributions during the year.

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

By order of the board



C Hedley  
Chair

Date 25 SEPTEMBER 2006

Registered Address:  
First Floor  
32 Market Place  
Burgess Hill  
West Sussex  
RH15 9NP

## **STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 they have elected to prepare the financial statements in accordance with UK Accounting Standards.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that its financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP  
1 Forest Gate  
Brighton Road  
Crawley  
West Sussex RH11 9PT

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BRAIN INJURY REHABILITATION CARE CENTRES LIMITED**

We have audited the financial statements of Brain Injury Rehabilitation Care Centres for the year ended 31 May 2006 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### ***Respective responsibilities of directors and auditors***

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### ***Basis of audit opinion***

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### ***Opinion***

In our opinion:

- the financial statements give a true and fair view, in accordance with UK Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2006 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

KPMG LLP  
Chartered Accountants  
Registered Auditor

Date 26 September 2006

## Profit and loss account

for the year ended 31 May 2006

	Note	2006 £	2005 £
<b>Turnover</b>	1	-	15,339,192
Cost of sales		-	(12,343,199)
		<hr/>	<hr/>
<b>Gross profit</b>		-	2,995,993
Administrative expenses		(373)	(790,717)
Gift Aid		(22,900)	(1,558,500)
		<hr/>	<hr/>
<b>Operating (loss) / profit</b>		(23,273)	646,776
Profit on the disposal of property to The Disabilities Trust		-	252,389
Donation of fixed assets to Brain Injury Rehabilitation Trust		-	(835,797)
		<hr/>	<hr/>
<b>(Loss) / profit on ordinary activities before interest</b>		(23,273)	63,368
Interest payable and similar charges	5	(27,334)	(83,045)
Other interest receivable and similar income		37,077	69,805
		<hr/>	<hr/>
<b>Retained (loss) / profit for the financial year</b>		(13,530)	50,128
		<hr/>	<hr/>

The company has no recognised gains or losses other than the loss for the year.

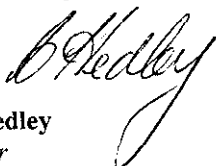
All the operations of BIRCC have ceased.

The notes on pages 6 to 9 form part of these financial statements.

**Balance sheet**  
 at 31 May 2006

	Note	2006 £	£	2005 £	£
<b>Current assets</b>					
Debtors	6	20,000		656,450	
Cash at bank and in hand		-		2,980,312	
		<u>20,000</u>		<u>3,636,762</u>	
<b>Creditors: amounts falling due within one year</b>	7	-		(3,603,232)	
		<u>-</u>		<u>(3,603,232)</u>	
<b>Net current assets</b>			<b>20,000</b>		<b>33,530</b>
<b>Total assets less current liabilities</b>			<b>20,000</b>		<b>33,530</b>
<b>Net assets</b>			<b>20,000</b>		<b>33,530</b>
<b>Capital and reserves</b>					
Called up share capital	8	20,000		20,000	
Profit and loss account	10	-		13,530	
		<u>-</u>		<u>13,530</u>	
<b>Equity shareholder's funds</b>	9	<b>20,000</b>		<b>33,530</b>	
		<u>20,000</u>		<u>33,530</u>	

These financial statements were approved by the board of directors on 25 SEPT. 2006 and were signed on its behalf by:

  
**C Hedley**  
 Chair

The notes on pages 6 to 9 form part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

#### *Basis of preparation*

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The financial statements have been prepared on a going concern basis. The taxable profit of the company, which is greater than the accounting profit, is paid to the parent company, Disabilities Trust, by way of Gift Aid. The Directors believe it is appropriate to continue to adopt the going concern basis.

#### *Taxation*

The charge for taxation is based on the result for the year. The company pays over the whole of its taxable profit to its parent undertaking, The Disabilities Trust, under the Gift Aid scheme, an arrangement which is likely to remain in place for the foreseeable future. The company therefore has no taxable profit or tax charge for the year.

No provision has been made for deferred tax on the grounds that the company transfers its taxable profits by Gift Aid to The Disabilities Trust and the directors will continue to do this for the foreseeable future. Therefore no deferred tax asset or liability will be realised in the company.

#### *Turnover*

Turnover represents the amounts (excluding value added tax) derived from the provision of care to people with brain injuries during the year.

#### *Cash flow statement*

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company in its own published consolidated financial statements.

### 2 (Loss) / profit on ordinary activities before taxation

	2006 £	2005 £
<i>(Loss) / profit on ordinary activities before taxation is stated after charging</i>		
Auditors' remuneration for audit work	-	16,984
Auditors' remuneration for non audit work	-	27,104
Depreciation and other amounts written off tangible fixed assets	-	251,401
Loss on sale of fixed assets (excludes donation of fixed assets to Brain Injury Rehabilitation Trust)	-	12,604
Hire of other assets - operating leases	-	895,372
<i>after crediting</i>		
Interest receivable	(37,077)	(89,805)

### 3 Remuneration of directors

The emoluments of the directors were £nil (2005: £28,834).



## Notes (continued)

### 4 Staff numbers and costs

The average number of persons engaged in brain injury services for the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2006	2005
Provision of care	-	500
Administration	-	31
	<hr/>	<hr/>
	-	531
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2006	2005
	£	£
Wages and salaries	-	7,426,619
Social security costs	-	645,388
Other pension costs	-	146,507
	<hr/>	<hr/>
	-	8,218,514
	<hr/>	<hr/>

All staff engaged in the provision of services are employed by the parent company, The Disabilities Trust.

### 5 Interest payable and similar charges

	2006	2005
	£	£
On bank loans and overdrafts	-	12
On all other loans	27,334	83,033
	<hr/>	<hr/>
	27,334	83,045
	<hr/>	<hr/>

### 6 Debtors

	2006	2005
	£	£
<b>Amounts falling due within one year</b>		
Other debtors	-	413
Amounts owed by group companies	20,000	656,037
	<hr/>	<hr/>
	20,000	656,450
	<hr/>	<hr/>

## Notes (continued)

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

	2006 £	2005 £
Trade creditors		
Amounts owed to group companies	-	121,623
	-	3,481,609
	<hr/>	<hr/>
	-	3,603,232
	<hr/>	<hr/>

An interest free loan of £200,000 provided to the company by the parent The Disabilities Trust for anticipated working capital requirements was repaid in September 2005. An additional loan of £1,338,123 which bore interest at 1.25% above LIBOR and also provided by The Disabilities Trust was repaid in September 2005.

### 8 Called up share capital

	2006 £	2005 £
<i>Authorised</i>		
A Ordinary Shares of £1 each	10,000	10,000
B Ordinary Shares of £1 each	10,000	10,000
	<hr/>	<hr/>
	20,000	20,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
A Ordinary Shares of £1 each	10,000	10,000
B Ordinary Shares of £1 each	10,000	10,000
	<hr/>	<hr/>
	20,000	20,000
	<hr/>	<hr/>

The class A shares qualify for dividends. The class B shares do not.

The company is a wholly owned subsidiary of The Disabilities Trust limited by guarantee.

### 9 Reconciliation of movements in shareholders' funds

	2005 £	2005 £
(Loss) / profit for the financial year	(13,530)	50,128
Dividends	-	-
	<hr/>	<hr/>
Net (decrease) / increase to shareholder's funds	(13,530)	50,128
Opening shareholder's funds	33,530	(19,098)
Prior year write back	-	2,500
	<hr/>	<hr/>
Closing shareholder's funds	20,000	33,530
	<hr/>	<hr/>

## Notes (continued)

### 10 Reserves

	Profit and Loss account 2006 £	Profit and Loss account 2005 £
At beginning of year	13,530	(39,098)
Prior year write back	-	2,500
(Loss) / profit in year	(13,530)	50,128
	<hr/>	<hr/>
At end of year	-	13,530
	<hr/>	<hr/>

### 11 Related party transactions

The company is a wholly owned subsidiary of The Disabilities Trust. The company has taken advantage of the exemptions contained in Financial Reporting Standard 8 and has therefore not disclosed transactions or balances with entities which form part of the group.

There were no charges to York House Ventures Limited (a joint venture of The Disabilities Trust) for staff and travel costs (2005: £292,594) and client fees (2005: £18,420). There was no outstanding balance as at 31 May 2006 (2005: £nil).

### 12 Ultimate parent undertaking

The company became a subsidiary of The Disabilities Trust on 10 December 1999 when The Disabilities Trust acquired the remaining 50% shareholding of BIRCC.

The largest and only group in which the results of the company are consolidated is that headed by The Disabilities Trust registered in England and Wales which is the ultimate parent undertaking.

The consolidated financial statements for the group are available from Head Office, First Floor, 32 Market Place, Burgess Hill, West Sussex, RH15 9NP.