



Shaw Community Services Limited

Registered Number : 4603309

Financial Statements

Year Ended 31 March 2009

1 Links Court, Links Business Park, St Mellons, CARDIFF CF3 0LT

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Shaw Community Services Limited
Financial Statements
Year Ended 31 March 2009

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**Shaw Community Services Limited
Officers and Professional Advisors
Year Ended 31 March 2009**

Directors	P J Nixey, MA (Oxon) A P Hehir R S Brown, ACMA, ATII A Thomas, BA, FCA J Pain
Registered Office	1 Links Court Links Business Park St. Mellons Cardiff CF3 0LT
Auditors	Deloitte LLP Cardiff, United Kingdom
Bankers	Allied Irish Bank 2 Callaghan Square Cardiff CF10 5AZ
Solicitors	Eversheds Solicitors 1 Callaghan Square Cardiff CF10 5BT Morgan Cole Solicitors Bradley Court Park Place Cardiff CF10 3DP

**Directors' Report to the members of
Shaw Community Services Limited
Year Ended 31 March 2009**

The directors present their annual report on the affairs of the company, together with the audited financial statements, for the year ended 31 March 2009.

This directors' report has been prepared in accordance with the special provisions relating to small companies under section 417(1) of the Companies Act 2006.

Principal activities

The principal activity of the company during the course of the year was that of the provision of domiciliary care.

The profit and loss account for the year is set out on page 6. The loss for the year before taxation was £637,521 (2008: £242,409).

Going concern

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Further details regarding the adoption of the going concern basis can be found in note 1 of the financial statements.

Dividends

The directors cannot recommend a dividend for the year (2008: £nil).

Directors' responsibilities

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). 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; 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 the financial statements comply with the Companies Act 1985. 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.

**Directors' Report to the members of
Shaw Community Services Limited (continued)
Year Ended 31 March 2009**

Business Risks

The company's main business risks relate to a) certainty of income as the company's income is generated entirely from short-term contracts; and b) cost control, especially in relation to staff. The directors are mitigating these risks by trying to deliver a good standard of service, by developing strong links with existing and potential customers, and through the development of a comprehensive framework of controls and performance metrics.

Directors

The directors who held office during the year were: P J Nixey, A P Hehir and A Wilson (resigned 30 June 2009). R S Brown and A Thomas were appointed on 28 May 2009. J Pain was appointed on 1 July 2009.

Taxation status

The company is a close company under the provisions of the Taxes Act.

Auditors

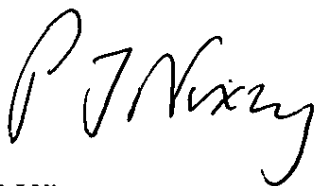
In the case of each of the persons who are directors of the company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

Deloitte LLP have indicated their willingness to continue in office as the company's auditors and a resolution for their reappointment will be proposed at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD



**P J Nixey
Director**

Date: 29 September 2009

Shaw Community Services Limited
Independent Auditors' Report to the members
Year Ended 31 March 2009

We have audited the financial statements of Shaw Community Services Limited for the year ended 31 March 2009 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 19. 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 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

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

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.

In addition we 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 judgements 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.

Shaw Community Services Limited
Independent Auditors' Report to the members (continued)
Year Ended 31 March 2009

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 March 2009 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.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Registered Auditors
Cardiff, United Kingdom

Date: *30 September 2009.*

Shaw Community Services Limited
Profit and Loss Account
Year Ended 31 March 2009

	Notes	2009 £	2008 £
Turnover	2	1,804,090	759,594
Operating costs		(2,198,981)	(992,808)
Operating loss	3	(394,891)	(233,214)
Impairment of investment in subsidiary	5	(225,059)	-
Interest receivable	6	4,636	3,255
Interest payable	6	(22,207)	(12,450)
Loss for the year before taxation		(637,521)	(242,409)
Taxation	7	110,949	71,870
Loss for the financial year	15	(526,572)	(170,539)

All amounts relate to continuing activities.

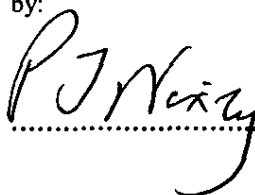
Statement of Total Recognised Gains and Losses
Year ended 31 March 2009

	Notes	2009 £	2008 £
Loss for the financial year		(526,572)	(170,539)
Actuarial loss relating to the pension scheme	19	(420)	-
Deferred tax related to actuarial loss	19	117	-
Total recognised losses relating to the year		(526,875)	(170,539)

Shaw Community Services Limited
Balance Sheet
As at 31 March 2009

	Notes	£	2009	£	£	2008	£
Fixed assets							
Tangible assets	8	10,945			7,442		
Investments	9	48,694			273,753		
				59,639			281,195
Current assets							
Debtors: amounts falling due within one year	10	245,391			210,542		
Cash at bank and in hand		494			32,176		
		245,885			242,718		
Creditors: amounts falling due within one year	11	(303,227)			(465,740)		
Net current liabilities				(57,342)			(223,022)
Total assets less current liabilities				2,297			58,173
Creditors: amounts falling due after more than one year	12			(915,000)			(445,000)
Net liabilities				(912,703)			(386,827)
Capital and reserves							
Share capital	14			1,000			1
Profit and loss account	15			(913,703)			(386,828)
Shareholders' deficit	16			(912,703)			(386,827)

These financial statements were approved by the directors on 29 September 2009 and signed on their behalf by:

 P J Nixey (Director)

 R S Brown (Director)

The notes on pages 8 to 16 form part of these financial statements.

Shaw Community Services Limited
Notes to the Financial Statements
Year Ended 31 March 2009

1. Principal Accounting Policies

a) Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom and the Companies Act 1985. The accounting policies, which have been applied consistently throughout the current and the prior financial year, are set out below.

The financial statements are prepared in accordance with the historical cost convention.

b) Going concern

The company's business activities are set out in the Directors' Report on page 2. The Business Review incorporated in the annual report of Shaw healthcare (Group) Limited, the ultimate parent company, includes information on the group's business activities, together with the factors likely to affect its future development, performance and position. It also includes information on the financial position of the group, its cash flows, liquidity position and borrowing facilities. The notes to the financial statements of Shaw healthcare (Group) Limited include the group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and hedging activities; and its exposures to credit risk and liquidity risk.

As shown in the Profit and Loss Account, the company made a loss before taxation in the year ended 31 March 2009 of £637,521, and the company's forecasts indicate that it will continue to make a loss for the immediate future while plans are implemented to address the underlying causes. Consequently it will require financial support from within the group, which has been agreed, in order to cover its working capital requirements.

The company's main business risks relate to a) certainty of income as the company's income is generated entirely from short-term contracts; and b) cost control, especially in relation to staff. The directors are mitigating these risks by trying to deliver a good standard of service, by developing strong links with existing and potential customers, and through the development of a comprehensive framework of controls and performance metrics.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

c) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment. Depreciation is calculated so as to write off the cost of tangible fixed assets, less any estimated residual value, over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

IT equipment	20% straight line
Fixtures & fittings	20% straight line

d) Investments

Investments in subsidiary companies are stated at cost less any provision for impairment.

Shaw Community Services Limited
Notes to the Financial Statements (continued)
Year Ended 31 March 2009

1. Principal Accounting Policies (continued)

e) Taxation

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

Deferred tax is provided, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

f) Revenue recognition

The company recognises income as care is provided for non-contracted income, and as it is made available for contracted income.

g) Pension costs

The company operates a defined benefit pension scheme. Amounts charged to operating loss are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

Defined benefit schemes are funded, with the assets of the scheme held separately from those of the group, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the balance sheet.

In the financial statements for the year ended 31 March 2008 the scheme was treated as a defined contribution scheme on the grounds of materiality.

h) Group financial statements

The company has taken advantage of the exemption not to prepare consolidated financial statements on the grounds that consolidated financial statements are prepared by the parent company, Shaw healthcare (Group) Limited.

i) Cash flow statement

Under Financial reporting Standard 1, the company is not required to prepare a cash flow statement as it qualifies as a small company.

Shaw Community Services Limited
Notes to the Financial Statements (continued)
Year Ended 31 March 2009

2. Turnover

Turnover is derived from a single class of business and arises wholly in the United Kingdom. The turnover shown in the profit and loss account represents amounts earned during the period, exclusive of value added tax.

	2009 £	2008 £
Turnover represents:		
Domiciliary care fees	1,739,946	736,596
Other income	64,144	22,998
	<u>1,804,090</u>	<u>759,594</u>

3. Operating loss

	2009 £	2008 £
Operating loss is stated after charging:		
Depreciation of tangible fixed assets	2,261	1,941
Auditors' remuneration - audit fees	4,858	2,009

4. Staff costs

	2009 £	2008 £
Wages and salaries	1,615,504	657,203
Social security costs	116,907	49,151
Pension costs	49,539	9,076
	<u>1,781,950</u>	<u>715,430</u>

	No.	No.
The average monthly number of persons employed by the company analysed by function was:		
Administration	8	8
Care home staff	32	41
	<u>40</u>	<u>49</u>

The directors are remunerated by Shaw healthcare (Group) Limited for their services to the group as a whole. It is not practicable to allocate their remuneration between their services to this company and other group companies.

5. Exceptional item reported after operating loss

On 14 November 2008 Working Together Specialist Care Agency Limited ("WTSCA"), a wholly-owned subsidiary of Shaw Community Services Limited, ceased trading permanently. WTSCA had been acquired by Shaw Community Services Limited on 1 August 2007 for £273,753.

The directors are of the opinion that, as a result of the cessation of trading, the investment by Shaw Community Services Limited in WTSCA has been impaired. The investment has therefore been written down in these financial statements as shown in note 9. The revised carrying value of the investment is £48,694 which is the net realisable value of the assets of WTSCA as at 31 March 2009.

Shaw Community Services Limited
Notes to the Financial Statements (continued)
Year Ended 31 March 2009

5. Exceptional item reported after operating loss (continued)

The impairment of £225,059 has been charged to the profit and loss account as an exceptional item reported after operating loss. There was no effect on the tax charge for the year.

6. Finance charges

	2009 £	2008 £
Interest receivable		
Investment income	1,948	3,255
Net finance income relating to defined benefit pension scheme	2,688	-
	<u>4,636</u>	<u>3,255</u>
	£	£
Interest payable		
Bank and other loan interest	22,207	12,450

7. Taxation

	2009 £	2008 £
Current tax		
Group relief	(111,067)	(71,870)
Deferred tax		
Origination and reversal of timing differences	118	-
	<u>(110,949)</u>	<u>(71,870)</u>
Factors affecting the current tax charge for the year:		
Loss on ordinary activities before taxation	(637,521)	(242,409)
Loss on ordinary activities multiplied by the standard rate of corporation tax of 28% (2008: 30%)	(178,506)	(72,723)
Depreciation in excess of capital allowances	327	-
Expenses not allowed for tax purposes	67,230	817
Small companies rate adjustment	-	36
Other timing differences	(118)	-
	<u>(111,067)</u>	<u>(71,870)</u>

Tax losses amounting to £155,644 (2008: £155,644) have been carried forward to be offset against future trading profits.

A deferred tax asset of £43,352 (2008: £43,025) has not been recognised in respect of tax losses carried forward and short-term timing differences. This asset has not been recognised, as there is insufficient evidence that the asset can be utilised in the foreseeable future.

Shaw Community Services Limited
Notes to the Financial Statements (continued)
Year Ended 31 March 2009

8. Tangible fixed assets

	IT equipment	Fixtures & Fittings	Total
	£	£	£
Cost			
At 1 April 2008	9,706	-	9,706
Additions in the year	-	5,764	5,764
At 31 March 2009	9,706	5,764	15,470
Depreciation			
At 1 April 2008	2,264	-	2,264
Charge for the year	1,941	320	2,261
At 31 March 2009	4,205	320	4,525
Net book value			
At 31 March 2009	5,501	5,444	10,945
At 31 March 2008	7,442	-	7,442

9. Shares in subsidiary undertaking

	2009	2008
	£	£
Cost		
At 1 April	273,753	-
Additions in the year	-	273,753
At 31 March	273,753	273,753
Provision for impairment		
At 1 April	-	-
Charged to the profit and loss account (see note 5)	225,059	-
At 31 March	225,059	-
Net book value		
At 31 March 2009	48,694	273,753
At 31 March 2008	273,753	-

The investment relates to a 100% shareholding in Working Together Specialist Care Agency ("WTSCA"), a company registered in England and Wales. The principal activity of WTSCA during the year was the provision of care services. WTSCA ceased trading on 14 November 2008 as described in note 5.

10. Debtors: amounts falling due within one year

	2009	2008
	£	£
Trade debtors	121,817	101,090
Amounts due from group undertakings	48,672	64,669
Other debtors and prepayments	74,902	44,783
	245,391	210,542

Shaw Community Services Limited
Notes to the Financial Statements (continued)
Year Ended 31 March 2009

11. Creditors: amounts falling due within one year

	2009 £	2008 £
Bank overdraft	5,520	-
Trade creditors	36,193	28,411
Amounts due to group undertakings	180,723	361,647
Taxation and social security	41,415	29,890
Other creditors	39,376	45,792
	<u>303,227</u>	<u>465,740</u>

The bank overdraft is unsecured and repayable on demand.

12. Creditors: amounts falling due after more than one year

	2009 £	2008 £
Loans due to group undertakings	915,000	445,000

13. Borrowings

	2009 £	2008 £
Loans due to group undertakings		
Between one and two years	915,000	445,000

The loans are unsecured. Interest charged during the year ranged from 0.5% to 3.75%. The company has received a guarantee from the respective group undertakings that repayment of the loans will not be demanded within twelve months of the signing of the financial statements (see note 1).

14. Share capital

	2009 £	2008 £
Authorised: 1,000 (2008: 1) ordinary shares of £1 each	1,000	1
Allotted, called-up and fully-paid: 1,000 (2008: 1) ordinary shares of £1 each	1,000	1

100 ordinary shares were issued to A Wilson, a director of the company, for a consideration of £100 on 18 September 2008.

899 ordinary shares were issued to Shaw healthcare (Group) Limited for a consideration of £899 on 3 November 2008.

Shaw Community Services Limited
Notes to the Financial Statements (continued)
Year Ended 31 March 2009

15. Profit and loss account

	2009 £	2008 £
At 1 April	(386,828)	(216,289)
Loss for the financial year	(526,572)	(170,539)
Actuarial loss net of deferred tax	(303)	-
At 31 March	(913,703)	(386,828)

16. Reconciliation of movement in shareholders' deficit

	2009 £	2008 £
At 1 April	(386,827)	(216,288)
Loss for the financial year	(526,572)	(170,539)
Shares issued during the year	999	-
Actuarial loss net of deferred tax	(303)	-
At 31 March	(912,703)	(386,827)

17. Related party transactions

The company takes exemption from the reporting of related party transactions under FRS 8 'Reporting of related party transactions' as a wholly owned subsidiary of Shaw healthcare (Group) Limited, whose financial statements are available from the Company Secretary, 1 Links Court, Links Business Park, St Mellons, Cardiff.

18. Parent company and ultimate controlling party

The parent company and ultimate controlling party is Shaw healthcare (Group) Limited, a company incorporated and registered in England and Wales. The smallest and largest group for which consolidated financial statements are prepared which include the results of the company is headed by Shaw healthcare (Group) Limited.

Shaw Community Services Limited
Notes to the Financial Statements (continued)
Year Ended 31 March 2009

19. Defined benefit pension scheme

Shaw Community Services Limited participates in the Greater Manchester Pension Fund (Wigan), a defined benefit pension scheme.

An approximate roll forward of the liabilities of the scheme as at 31 March 2009 has been made by a qualified actuary, taking into account known member movements and other cash flows over the period. The results of this are summarised below. No comparative information is included because in the year ended 31 March 2008 the scheme was accounted for as a defined contribution pension scheme on the grounds of materiality.

	2009
Principal actuarial assumptions at the balance sheet date	
Discount rate	6.90%
Price inflation	2.70%
Rate of increase in salaries	2.95%
Rate of increase for pensions in payment (LPI)	2.70%
Post retirement mortality (life expectancy)	
Current pensioners age 65 - males	19.6
Current pensioners age 65 - females	22.5
Future pensioners age 65 (currently age 45) - males	20.7
Future pensioners age 65 (currently age 45) - females	23.6
Expected return on assets:	
Equities	7.5%
Bonds	5.5%
Other bonds	5.5%
Property	5.5%
Cash	1.0%
Other	4.0%

	2009
	£
Amounts recognised in the balance sheet	
Fair value of scheme assets	240,000
Present value of scheme liabilities	(164,436)
Surplus in scheme	75,564
Pension asset not recognised	(75,564)
Net pension liability recognised	-

Amounts recognised in the profit and loss account	
Current service cost (net of employer contributions)	(1,732)
Interest cost	14,732
Expected return on scheme assets	(17,420)
Past service cost	4,000
Amount recognised	(420)

Shaw Community Services Limited
Notes to the Financial Statements (continued)
Year Ended 31 March 2009

19. Defined benefit pension scheme (continued)

	2009
	£
Actual return on assets over the period	
Actual return	(48,000)
Analysis of amount recognised in the statement of total recognised gains and losses	
Asset loss	(65,420)
Liability gain	88,995
Adjustment in respect of pension asset not recognised	(23,995)
	(420)
Deferred tax asset	117
Actuarial loss recognised	(303)
Changes in the present value of scheme liabilities	
At 1 April	213,431
Interest cost	14,732
Current service cost	14,268
Member contributions	7,000
Actuarial loss	(88,995)
Past service cost	4,000
At 31 March	164,436
Changes in the fair value of assets	
At 1 April	265,000
Expected return on scheme assets	17,420
Actuarial loss	(65,420)
Member contributions	7,000
Employer contributions	16,000
At 31 March	240,000
Major categories of assets as a percentage of total assets	
Equities	67%
Bonds	16%
Other bonds	0%
Property	7%
Cash	10%
Other	0%
	100%