Care Connect Kirklees Limited
Financial statements
For the year ended 31 December 2009

Company No. 4650824

Company information

Company registration number	4650824
Registered office	Saffron Ground Ditchmore Lane Stevenage SG1 3LJ
Directors	J P Coleman A M Long B R Westran
Secretary	J P Coleman
Bankers	Barclays Bank plc PO Box 119 Park House Newbrick Road Stoke Gifford Bristol BS34 8TN
Solicitors	BPE St James's House St James' Square Cheltenham Gloucestershire GL50 3PR
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Hartwell House 55 - 61 Victoria Street Bristol BS1 6FT

Contents

Report of the Directors

The Directors present their report and the financial statements of the Company for the year ended 31 December 2009

Principal activities

The principal activity of the Company during the period was the provision of domiciliary care

Results and dividends

The loss for the year, after taxation, amounted to £29,944 (2008 - profit £2,823)

The Directors have not recommended a dividend for 2009 (2008 - £nil)

Directors

The Directors who served the Company during the period were as follows

J P Coleman
A M Long
B R Westran appointed 1 March 2009

Directors' responsibilities

The Directors are responsible for preparing 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 financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of its profit or loss 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,
- 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 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

Report of the Directors - continued

Directors' responsibilities - continued

In so far as the Directors are aware

- there is no relevant audit information of which the Company's auditors are unaware, and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

Going concern consideration

Mears Group plc, the ultimate parent company, has a centralised treasury arrangement and so shares banking arrangements with its subsidiaries

After making enquiries, the directors believe that the Group and company have adequate resources to continue in operational existence for the foreseeable future, and they have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern or its ability to continue with the current banking arrangements Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Small Company provisions

The Report of the Directors has been prepared in accordance with the special provisions for small companies under section 415A of the Companies Act 2006

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with s489 of the Companies Act 2006

This report was approved by the board on 31 March 2010 and signed on its behalf

B R Westran
Director

Report of the independent auditor to the member of Care Connect Kirklees Limited

We have audited the financial statements of Care Connect Kirklees for the year ended 31 December 2009 which comprise the profit and loss account, the balance sheet and the related notes 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 member, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006 Our audit work has been undertaken so that we might state to the company's member 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 member as a body, for our audit work, for this report or for the opinions we have formed

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www frc org uk/apb/scope/UKNP

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 31 December 2009 and of its loss 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 matters prescribed by the Companies Act 2006

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

Report of the independent auditor to the member of Care Connect Kirklees Limited - continued

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

Grant Thornton UK LLP

Geraint Davies

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol

31 March 2010

Principal accounting policies

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards The accounting policies are unchanged from the previous year

Cash Flow Statement

The Directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that 100% of the voting rights of the Company are controlled by its ultimate parent Company, which publishes a consolidated cash flow statement

Turnover

Turnover comprises the value of services supplied by the Company during the period, exclusive of Value Added Tax Turnover is recognised when the individual item of service has been completed Turnover relating to completed items of service uninvoiced at the period end is accrued and disclosed under prepayments and accrued income

All turnover is attributable to the one principal activity of the Company, and totally derived in the United Kingdom

Fixed assets

Tangible fixed assets are stated at historical cost less depreciation Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset The rates generally applicable are as follows

Fixtures and office equipment	-	25% reducing balance
Computer equipment and software	-	25% reducing balance

Operating Lease Agreements

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

Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax

Deferred tax assets are recognised only where it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Principal accounting policies - continued

Financial instruments

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 entity after deducting all of its financial liabilities

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities Financial liabilities are presented as such in the balance sheet Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account Finance costs are calculated so as to produce a constant rate of return on the outstanding liability

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument Dividends and distributions relating to equity instruments are debited direct to equity

Profit and loss account

	Note	2009 £	2008 £
Turnover	1	**759,954**	834,603
Cost of sales		**(589,079)**	(590,389)
Gross Profit		**170,875**	244,214
Administrative expenses		**(199,541)**	(239,795)
Operating (loss) / profit	2	**(28,666)**	4,419
Interest receivable		–	43
Interest payable	5	**(1,463)**	–
(Loss) / Profit on Ordinary Activities before Taxation		**(30,129)**	4,462
Tax on (loss) / profit on ordinary activities	6	**185**	(1,639)
(Loss) / Profit for the Financial Period	17	**(29,944)**	2,823

All of the activities of the Company are classed as continuing

The Company has no recognised gains or losses other than the results for the year as set out above

Balance sheet

	Note	2009 £	2009 £	2008 £	2008 £
Fixed assets					
Tangible assets	7		**15,582**		16,233
Current assets					
Debtors	8	**88,663**		140,534	
Cash at bank and in hand		**784**		3,574	
		89,447		144,108	
Creditors amounts due within one year	9	**(15,394)**		(36,406)	
Net current assets			**74,053**		107,702
Total assets less current liabilities			**89,635**		123,935
Creditors amounts due after one year	10		**(147,021)**		(151,377)
Provision for liabilities	11		**(74)**		(74)
			(57,460)		(27,516)
Capital and reserves					
Share capital	15		**25**		25
Profit and loss account	16		**(57,485)**		(27,541)
Shareholders' deficit	17		**(57,460)**		(27,516)

The financial statements were approved and authorised for issue by the Directors and are signed on their behalf on 31 March 2010

J P Coleman
Director

Notes to the financial statements

1 Turnover

The turnover and (loss) / profit before tax are attributable to the one principal activity of the Company All turnover is derived from within the United Kingdom

2 Operating (loss) / profit

Operating (loss) / profit is stated after charging

	2009	2008
	£	£
Depreciation of tangible fixed assets owned by the Company	**1,528**	833
Operating lease rentals		
- land and buildings	**16,975**	12,668
- plant & machinery	**72**	–
- vehicles	**813**	2,982

3 Auditor's remuneration

Fees payable to the auditors for the period

	2009	2008
	£	£
For the audit of the Company's financial statements	**4,000**	4,000
For taxation compliance fees	**1,000**	1,000

4 Employees

The average number of staff employed by the Company during the financial year amounted to

	2009	2008
	No.	No
Administrative staff	**4**	5
Carers	**75**	66
	79	71

The aggregate payroll costs of the above were

	£	£
Wages and salaries	**633,244**	618,175
Social security costs	**41,167**	43,942
	674,411	662,117

The Directors were remunerated through a sister company

Notes to the financial statements

5 Interest payable and similar charges

	2009	2008
	£	£
Interest payable on bank borrowing	1,463	–

6 Taxation on ordinary activities

	2009	2008
	£	£
Analysis of charge in the year		
Current tax (see note below)		
UK Corporation tax based on the results for the year	–	1,887
Adjustment in respect of prior periods	**(185)**	(248)
Total current tax	**(185)**	1,639
Origination and reversal of timing differences	–	–
Tax on profit on ordinary activities	**(185)**	1,639

Factors affecting tax charge for the year

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 28% (2008 – 28 5%)

	2009	2008
	£	£
(Loss) / profit on ordinary activities before taxation	**(30,129)**	4,462
(Loss) / profit on ordinary activities multiplied by standard rate of tax	**(8,436)**	1,272
Effects of		
Expenses not deductible for tax purposes	**168**	286
Depreciation for period in excess of capital allowances	**(1,577)**	8,342
Tax rate differences	–	(705)
Group relief utilised	**9,845**	(7,308)
Adjustment in respect of prior periods	**(185)**	(248)
Total current tax charge for the year	**(185)**	1,639

Notes to the financial statements

7 Tangible fixed assets

	Fixtures, fittings and equipment £
Cost	
At 1 January 2009	17,116
Additions	877
Disposals	–
At 31 December 2009	17,993
Depreciation	
At 1 January 2009	883
Charge for the year	1,528
On disposals	–
At 31 December 2009	2,411
Net book value	
At 31 December 2009	**15,582**
At 31 December 2008	16,233

8 Debtors

	2009 £	2008 £
Trade debtors	**46,839**	110,104
Other debtors	**40,603**	28,295
Prepayments and accrued income	**1,221**	2,135
	88,663	140,534

9 Creditors amounts falling due within one year

	2009 £	2008 £
Corporation tax	–	1,940
Other taxation and social security	**7,365**	8,322
Other creditors	**52**	16,661
Accruals and deferred income	**7,977**	9,483
	15,394	36,406

Notes to the financial statements

10 Creditors: amounts falling due after more than one year

	2009 £	2008 £
Amounts owed to group undertakings	**147,021**	151,377

11 Provisions for liabilities and charges

	2009 £
Brought forward at 1 January	**74**
Released in the year	–
Carried forward at 31 December	**74**

12 Financial instruments

The Company uses financial instruments, other than derivatives, comprising borrowings, cash and various items such as trade debtors and trade creditors that arise directly from its operations The main purpose of these financial instruments is to finance the Company's operations

The main risks arising from the Company's financial instruments are liquidity risk and credit risk

The Company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably The Company has no overdraft

Trade debtors are normally due within 30 to 60 days All trade debtors are subject to credit risk exposure However there is no specific concentration of credit risk as the amounts recognised represent a large number of receivables from various customers

The Company has no interests in the trade of financial instruments, interest rate swaps or forward interest rate agreements

13 Leasing commitments

At 31 December 2009 the Company had annual commitments under non-cancellable operating leases as set out below

	2009		2008	
	Land and buildings £	Other items £	Land and Buildings £	Other items £
Operating leases which expire				
Within 1 year	–	–	–	735
Within 2 to 5 years	**13,440**	–	–	–

14 Related party transactions

As a wholly owned subsidiary of Mears Group PLC, the Company is exempt from the requirement of Financial Reporting Standard 8 Related Party Disclosures to disclose transactions with other members of the Group headed by Mears Group PLC on the grounds that Group accounts are publicly available

Notes to the financial statements

15 Share capital

	2009	2008
	£	£
Authorised		
1,000 ordinary shares of £1 each	**1,000**	1,000
Allotted, called up and fully paid share capital		
25 ordinary shares of £1 each	**25**	25

16 Profit and loss account reserves

	2009	2008
	£	£
At 1 January	**(27,541)**	(30,364)
(Loss) / profit for the financial year	**(29,944)**	2,823
At 31 December	**(57,485)**	(27,541)

17 Reconciliation of movements in shareholders' deficit

	2009	2008
	£	£
(Loss) / profit for the financial year	**(29,944)**	2,823
Opening shareholders' deficit	**(27,516)**	(30,339)
Closing shareholders' deficit	**(57,460)**	(27,516)

18 Going concern

Despite a capital and reserves deficit at 31 December 2009 of £57,460, (2008 - £27,516) the Directors have prepared the financial statements on a going concern basis The Directors consider this to be appropriate as the Company has received confirmation from its ultimate parent undertaking, Mears Group PLC, that it intends to continue to support the Company to enable it to meet its day to day expenses for the foreseeable future

19 Ultimate parent company

The Directors consider that the ultimate parent undertaking and controlling related party of this Company is Mears Group PLC by virtue of its 100% shareholding

The largest group of undertakings for which Group accounts have been drawn up is that headed by Mears Group PLC The smallest group of undertakings for which Group accounts have been drawn up is that headed by Careforce Group plc These accounts are available from The Company Secretary, Mears Group PLC, 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester GL3 4AH