

Careforce Group plc

Unaudited financial statements

For the year ended 31 December 2019



Company No. 5201238

Company information

Company registration number	5201238
Registered office	1390 Montpellier Court Gloucester Business Park Brockworth Gloucester GL3 4AH
Directors	A C M Smith B R Westran Mears Group PLC
Secretary	B R Westran
Solicitors	BPE St James' House St James' Square Cheltenham Gloucestershire GL50 3PR

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Strategic Report

Results and dividends

The results for the year and the Company's financial position at the end of the year are shown in the attached financial statements. The Company made a loss for the year of £5,630,000 (2018: £nil). The Directors have not recommended a dividend payment for 2019 or 2018.

The Company is a holding company. Its subsidiaries were principally involved in the supply of domiciliary care to Local Authorities, Primary Care Trusts and the private sector.

Financial risk management objectives and policies

Risk is an accepted part of doing business. The Company's financial risk management is based upon sound economic objectives and good corporate practice. The Directors have overall responsibility for risk management and internal control within the context of achieving the Company's objectives. The key risks and mitigating factors are set out below.

The Company seeks to manage financial risk, to ensure sufficient liquidity is available to meet the identifiable needs of the Company and to invest cash assets safely and profitably. Short term flexibility is achieved through the use of the Group bank overdraft facilities.

The Company does not undertake any trading activity in financial instruments. All activities are transacted in Sterling. The Company does not engage in any hedging activities.

The Company reviews the credit quality of customers and limits credit exposures accordingly. All trade debts 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.

This report was approved by the Board on 16 July 2020 and signed on its behalf.



B R Westran
Director

Report of the Directors

The Directors present their report and the financial statements of the Company for the year ended 31 December 2019.

Principal activities

The principal activity of the Company during the year was that of a holding company. Its subsidiaries were principally involved in the supply of domiciliary care to Local Authorities, Primary Care Trusts and the private sector.

Directors

The Directors who served the company during the period were as follows:

A C M Smith
B R Westran
Mears Group PLC

Directors' responsibilities

The Directors are responsible for preparing the Report of the Directors 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 laws). 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 and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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.

The directors confirm that:

- so far as each director is 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.

This report was approved by the board on 16 July 2020 and signed on its behalf.



B Westran
Director

Report of the Directors

Statement of compliance

Careforce Group plc is a public limited company incorporated in the United Kingdom. Its registered office is 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester, GL3 4AH.

The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements of the Company for the year ended 31 December 2019.

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 period.

The Company was, at the end of the year, a wholly-owned subsidiary of another, Mears Group PLC, incorporated in the United Kingdom whose accounts are publicly available and in accordance with Section 400 of the Companies Act 2006, is not required to produce, and has not published, consolidated accounts. Consequentially, these accounts present information about the individual undertaking.

Summary of disclosure exemptions

The Company has taken advantage of the reduced disclosures for subsidiary entities provided for in FRS 102 and has therefore not provided a Statement of Cash Flows or certain disclosures in respect of share based payments. The Company has also taken advantage of the exemption from disclosing key management personnel compensation.

Going concern

Mears Group PLC, the 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.

Judgements

The Directors do not consider that any significant judgement has been exercised in preparing these financial statements.

Taxation

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date.

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.

Report of the Directors

Shares

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Share premium represents the excess of the issue price over the par value on shares issued less transaction costs arising on issue.

Reserves

Called up share capital represents the nominal value of shares that have been issued.

Share premium represents the excess of proceeds received over the nominal value of new shares issued.

Profit and loss account includes all current and prior period retained profits and losses.

Profit and loss account

	Note	2019 £'000	2018 £'000
Turnover		–	–
Less: Operating costs		–	–
Operating deficit		–	–
Exceptional items	1	(5,630)	–
Loss on ordinary activities before taxation		(5,630)	–
Tax on deficit on ordinary activities		–	–
Loss charged against balance brought forward		(5,630)	–

The Company has no surpluses or deficits other than those included in the profit and loss account as set out above.

Balance sheet

	Note	2019 £'000	2018 £'000
Current assets			
Debtors	3	1,815	7,445
Total assets less current liabilities		1,815	7,445
Creditors: amounts due after one year		–	–
		1,815	7,445
Capital and reserves			
Called up equity share capital	4	1,470	1,470
Share premium account		6,070	6,070
Profit and loss account		(5,725)	(95)
Shareholder's funds		1,815	7,445

For the financial year ending 31 December 2019 the company was entitled to exemption from audit under 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved and authorised for issue by the directors and are signed on their behalf on 16 July 2020.



B Westran
Director

Statement of changes in equity

	Share capital	Share premium	Profit and loss account	Total
	£ 000	£ 000	£ 000	£ 000
At 1 January 2018	1,470	6,070	(95)	7,445
Profit for the year	–	–	–	–
At 31 December 2018	1,470	6,070	(95)	7,445

	Share capital	Share premium	Profit and loss account	Total
	£ 000	£ 000	£ 000	£ 000
At 1 January 2019	1,470	6,070	(95)	7,445
Profit for the year	–	–	(5,630)	(5,630)
At 31 December 2019	1,470	6,070	(5,725)	1,815

Notes to the financial statements

1 Exceptional items

	2019 £'000	2018 £'000
Impairment of debtors	5,630	–

Exceptional items comprise £5,630,000 (2018: £nil) in respect of the impairment of debtors from the following subsidiary companies: Careforce Services Limited, Leicester Careforce Limited, Nurseforce Limited, Sycamore Rise (Domiciliary) Limited, Cambridge Careforce Limited, CMS Care Limited, Mears Window and Door Maintenance Limited, The Capable Care Limited, New Futures Limited, Sentinel Medistaff 2002 Limited, Keycare Services Limited, Seraph Limited, Sperrin Caring Services Ltd and Pooks Care Limited.

2 Debtors

	2019 £'000	2018 £'000
Amounts falling due after more than one year:		
Amounts owed from group undertakings	1,815	7,445

3 Share capital

	2019 £'000	2018 £'000
Authorised		
20,000,000 ordinary shares of 10p each	2,000	2,000
Allotted, called up and fully paid		
14,697,944 ordinary shares of 10p each	1,470	1,470

4 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.