

Partnership Registration Number: OC300716

COLNE CAREFORCE LLP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 JULY 2006

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**Designated Members**

Careforce Services Limited  
Nurseforce Limited

**Registered Office**

Ground Floor  
Saffron Ground  
Ditchmore Lane  
Stevenage  
Hertfordshire SG1 3LJ

**Auditors**

CLB Littlejohn Frazer  
Chartered Accountants  
1 Park Place  
Canary Wharf  
London E14 4HJ

The members present their report and the audited Financial Statements of the limited liability partnership for the year ended 31 July 2006.

**Principal Activities and Business Review**

The principal activity of the limited liability partnership during the year was the provision of domiciliary care. There were no significant changes in the limited liability partnership's activities during the year and none are anticipated. Both the level of business and year end financial position were satisfactory.

**Results**

The trading results for the year and the limited liability partnership's financial position at the end of the year are shown in the attached Financial Statements.

**The Designated Members**

The designated members of the limited liability partnership during the year were:

Careforce Services Limited  
Nurseforce Limited

**Policy regarding Members' Drawings and Subscription and Repayment of Members' Capital**

The members are ultimately required to maintain their respective capital balances at a minimum of £1 each. No member is guaranteed a profit share or salary in the event that the partnership incurs a loss. Members' capital must be subscribed to in equal shares and repayments are limited by the minimum capital requirement. Interest at a pre-determined arm's length rate is payable on any overdrawn amount.

**Responsibilities of the Members**

Limited Liability Partnership Regulations and Company Law require the members to prepare Financial Statements for each financial period which give a true and fair view of the state of affairs of the limited liability partnership and of the profit or loss for the period then ended.

In preparing those Financial Statements, the members are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 limited liability partnership will continue in business.

The members are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the limited liability partnership and to enable them to ensure that the Financial Statements comply with the Limited Liability Partnerships Regulations 2001 and the Companies Act 1985. The members are also responsible for safeguarding the assets of the limited liability partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Relevant Audit Information**

The members who held office at the date of approval of this Members' Report confirm that, so far as they are individually aware, there is no relevant audit information of which the limited liability partnership's auditors are unaware; and each member has taken all the steps that they ought reasonably to have taken as a member to make themselves aware of that information.

**Auditors**

A resolution to re-appoint CLB Littlejohn Frazer as auditors for the ensuing year will be proposed at the next members' meeting.

**Small Company Provisions**

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 as amended by Limited Liability Partnerships Regulations 2001.

By order of the members

A handwritten signature in black ink, appearing to be 'Z. P. Ch'.

Approved by the members on 30 May 2007

**Independent Auditors report to the members of Colne Careforce LLP**

We have audited the Financial Statements of Colne Careforce LLP for the year ended 31 July 2006 which comprise the Profit and Loss Account, the Balance Sheet, the Accounting Policies and the related notes 1 to 11. These Financial Statements have been prepared under the accounting policies set out therein.

This report is made solely to the LLP's members, as a body, in accordance with Section 235 of the Companies Act 1985 as applied to limited liability partnerships. Our audit work has been undertaken so that we might state to the LLP'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 LLP and the LLP's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of the members and the auditors**

The Members' responsibilities for preparing the Financial Statements in accordance with applicable United Kingdom law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Members' 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, as applied to Limited Liability Partnerships, and the Limited Liability Partnership Regulations 2001. We also report to you if, in our opinion, the LLP has not kept proper accounting records or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited Financial Statements. This other information comprises only the Members' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the Financial Statements. Our responsibilities do not extend to any other information.

**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 members in the preparation of the Financial Statements, and of whether the accounting policies are appropriate to the LLP'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 United Kingdom Generally Accepted Accounting Practice, of the state of the LLP's affairs as at 31 July 2006 and of its profit for the year then ended;
- the Financial Statements have been properly prepared in accordance with the Limited Liability Partnerships Regulations 2001; and
- the information given in the Members' Report is consistent with the Financial Statements.

*CLB Littlejohn Frazer*

**CLB Littlejohn Frazer**

Chartered Accountants  
and Registered Auditors

1 Park Place  
Canary Wharf  
London E14 4HJ

*30 July 2007*

**COLNE CAREFORCE LLP****PROFIT AND LOSS ACCOUNT**  
Year ended 31 July 2006

	Notes	2006	2005
Turnover	1	3,150,236	2,180,941
Cost of sales		(2,390,744)	(1,710,671)
		<hr/>	<hr/>
Gross Profit		759,492	470,270
Net operating expenses		(591,833)	(563,802)
Interest receivable and similar income		1,433	232
Interest payable and similar charges		(13,777)	(59)
		<hr/>	<hr/>
Profit/(Loss) for the financial year before members' remuneration and profit share available for discretionary distribution among members	2	£155,315	£(93,359)
		<hr/>	<hr/>

The limited liability partnership has no recognised gains or losses other than the results for the year as set out above.

All the activities of the limited liability partnership are classed as continuing.

The Accounting Policies and Notes on pages 8 to 11 form part of these Financial Statements

## COLNE CAREFORCE LLP


## BALANCE SHEET

<b>Fixed Assets</b>	<b>Notes</b>	<b>2006</b>	<b>2005</b>
Intangible assets	3	341,315	363,786
Tangible assets	4	49,952	56,540
		<hr/>	<hr/>
		391,267	420,326
		<hr/>	<hr/>
<b>Current Assets</b>			
Debtors	5	406,045	481,087
Cash at bank and in hand		43,357	41,472
		<hr/>	<hr/>
		449,402	522,559
<b>Creditors: amounts falling due within one year</b>	6	(307,254)	(406,242)
		<hr/>	<hr/>
<b>Net Current Assets</b>		142,148	116,317
<b>Creditors: amounts falling due after one year</b>	7	(13,719)	-
<b>Loans and other debts due from Members</b>		55,304	38,357
		<hr/>	<hr/>
<b>Net Assets attributable to Members</b>		£575,000	£575,000
		<hr/>	<hr/>
<b>Members' Interests</b>			
<b>Equity Interests:</b>			
Members' capital	8	£575,000	£575,000
		<hr/>	<hr/>
<b>Memorandum Item:</b>			
<b>Amounts due to Members</b>		153,578	-
<b>Amounts due from Members</b>		(208,882)	(38,357)
		<hr/>	<hr/>
		(55,304)	(38,357)
<b>Members' other interest</b>		575,000	575,000
		<hr/>	<hr/>
<b>Total Members' Interest</b>	8	£519,696	£536,643
		<hr/>	<hr/>

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 as amended by the Limited Liability Partnerships Regulations 2001.

Approved by the board of members and signed on its behalf on 30 May 2007

Nurseforce Limited



) Designated Members

Careforce Services Limited

)

The Accounting Policies and Notes on pages 8 to 11 form part of these Financial Statements.



**Basis of Accounting**

The Financial Statements have been prepared on the going concern basis, under the historical cost convention and in accordance with the Limited Liability Partnerships Regulations 2001, the Companies Act 1985 and applicable United Kingdom accounting standards.

**Turnover**

Turnover comprises the value of services supplied by the limited liability partnership 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 year 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.

**Goodwill**

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

**Amortisation**

Amortisation 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 as follows:

Goodwill – over 20 years

**Fixed Assets**

All fixed assets are initially recorded at cost.

**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 as follows:

Fixtures, fittings & equipment	– 15% straight line
Computer equipment	– 25% straight line
Motor vehicles	– 25% straight line

**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.

**Cash Flow Statement**

The members have taken advantage of the exemption in Financial Reporting Standard No.1 (revised) from including a cash flow statement in the financial statements on the grounds that the LLP is small.

**Taxation**

The Financial Statements do not incorporate any charge or liability for taxation on the results of the limited liability partnership as the relevant tax is the responsibility of the individual members.

**1. Turnover**

The turnover and result are attributable to the one principal activity of the limited liability partnership.

	2006	2005
An analysis of turnover by geographical market is given below:		
United Kingdom	£3,150,236	£2,180,941
	<u>                    </u>	<u>                    </u>

**2. Operating Profit**

Operating profit is stated after charging:

Amortisation of intangible assets	£ 22,471	£ 22,471
Depreciation of tangible assets	£ 13,581	£ 9,999
Auditors' remuneration	£ -	£ 2,000
	<u>                    </u>	<u>                    </u>

The 2006 audit fee was borne by Careforce Services Limited.

**3. Intangible Fixed Assets****Goodwill****Cost**

At 1 August 2005	449,427
	<u>                    </u>
At 31 July 2006	449,427
	<u>                    </u>

**Amortisation**

At 1 August 2005	85,641
Charge for the year	22,471
	<u>                    </u>
At 31 July 2005	108,112
	<u>                    </u>

**Net Book Value**

At 31 July 2006	£341,315
	<u>                    </u>
At 31 July 2005	£363,786
	<u>                    </u>

## 4. Tangible Fixed Assets

	Motor Vehicles	Fixtures & Fittings	Computer Equipment	Total
<b>Cost</b>				
At 1 August 2005	5,425	46,830	38,235	90,490
Additions	1,000	3,631	2,362	6,993
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2006	6,425	50,461	40,597	97,483
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>				
At 1 August 2005	410	15,394	18,146	33,950
Charge for the period	1,544	5,624	6,413	13,581
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2006	1,954	21,018	24,559	47,531
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net Book Value</b>				
At 31 July 2006	£4,471	£29,443	£16,038	£49,952
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 July 2005	£5,015	£31,436	£20,089	£56,540
	<hr/>	<hr/>	<hr/>	<hr/>

## 5. Debtors

	2006	2005
Trade debtors	241,606	284,013
Other debtors	2,993	2,718
Prepayments and accrued income	161,446	194,356
	<hr/>	<hr/>
	£406,045	£481,087
	<hr/>	<hr/>

## 6. Creditors: amounts falling due within one year

Trade creditors	66,992	130,908
Other taxes and social security	48,089	36,621
Net obligations under hire purchase contracts	-	4
Other creditors	70,800	94,400
Accruals and deferred income	121,373	144,309
	<hr/>	<hr/>
	£307,254	£406,242
	<hr/>	<hr/>

## 7. Creditors: amounts falling due after one year

Amounts due to group undertakings	£13,719	£ -
	<hr/>	<hr/>

**8. Reconciliation of movement in Members' Interest**

	Members Capital	Other reserves	Total	Loans and other debts due to/from members	Total
<b>Members' Interests</b>					
Amounts due from members				(38,357)	
Members interests:					
Balance at 1 August 2005	575,000	-	575,000	(38,357)	536,643
Profit for the period available for division amongst members	-	155,315	155,315	-	155,315
Members interest after profit for the period	575,000	155,315	730,315	(38,357)	691,958
Allocated profit	-	(155,315)	(155,315)	155,315	-
Drawings	-	-	-	36,620	36,620
Amounts due to members	575,000	-	575,000	153,578	728,578
Amounts due from members	-	-	-	(208,882)	(208,882)
Balance at 31 July 2006	£575,000	£-	£575,000	£(55,304)	£519,696

**9. Commitments under Operating Leases**

At 31 July 2006 the partnership had annual commitments under non-cancellable operating leases as set out below:

	2006 Land and Buildings	2005 Land and Buildings
Operating leases which expire		
Within one year	£ -	£ 5,000
Between two and five years	£ 22,000	£ -
After more than five years	£ -	£ 7,000

**10. Average number of Members**

The two members held office continuously throughout the year.

**11. Ultimate Parent Company**

The ultimate parent company was Careforce Group plc, a company incorporated in England and Wales. Group Financial Statements are prepared and are available from Companies House.

On 4 April 2007 Mears Group PLC acquired the entire share capital of Careforce Group plc.