

Cornwall Care Limited
(Limited by guarantee)
Annual report
for the year ended 31 December 2011

Company registration number 03079623

Charity registration number 1053486

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Cornwall Care Limited

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Cornwall Care Limited

Directors and advisers for the year ended 31 December 2011

Members of the Board who served during the year ended 31 December 2011

Dr A Stanhope	(Chairman)
Ms M Milano	(Vice Chairman)
Mr T F S Bacon	(resigned 27 June 2012)
Mr F D Brewer	
Miss D J Clark	
Mr M Lake	
Mrs K J Leishman	
Mr I J Pawley	
Ms M P Schwarz	
Mr J W Sherlock	
Mr C R W Yates	

The members of the Board are directors of the company for Companies Act purposes and trustees for the purpose of the Charities Act. Directors are appointed by ordinary resolution subject to a minimum of 2 and maximum of 11.

Chief Executive

Mr D P Webb

Director of Finance and Company Secretary

Mr P A Turner (resigned 08 December 2011)
Mr T Wiennga

Director of Operations and Strategic Development

Mrs T K North

Principal Address and Registered Office

Cornwall Care House, Glenthorne Court, Truro Business Park, Truro TR4 9NY

Auditors

PricewaterhouseCoopers LLP, Chartered Accountants and Statutory Auditors
Princess Court, 23 Princess Street, Plymouth PL1 2EX

Solicitors

Foot Anstey	Follett Stock
Princes House	Truro Business Park
Princes Street	Threemilestone
Truro TR1 2EY	Truro TR4 9NH

Bankers

Lloyds Banking Group
PO Box 128, 8 Royal Parade
Plymouth PL1 1LX

Insurance Brokers

Capita Specialist Insurance Solutions
Wynchgate House, Woodlands Lane
Bristol BS32 4JT

Cornwall Care Limited

Directors' report for the year ended 31 December 2011

The Directors present their annual report for the year ended 31 December 2011 under the Companies Act 2006 together with the audited consolidated financial statements for the year and confirm that the latter complies with the requirements of the Act, the Memorandum and Articles of Association and the Charities SORP 2005

Structure, Governance and Management

Governing document

Cornwall Care Limited is a registered charity and company limited by guarantee. It is governed by its Memorandum and Articles of Association and the Board of Directors who are also its Trustees.

The Directors who served during the year, all of whom act in a non-executive capacity, are listed on page 2.

Recruitment and appointment of Trustees

Directors are appointed by the Board in accordance with the Memorandum and Articles of Association and can serve a maximum of nine consecutive years. One third of Directors are required to retire by rotation at each Annual General Meeting and may seek re-election.

Directors are appointed by the Board following a search and selection process managed by the Nominations Committee.

On appointment, Directors are given an induction pack which includes information about the organisation and are invited to attend visits to business units. Directors are provided with regular information updates on their role as Trustees and Directors.

The Board reviews the skills and experience of Directors on an annual basis to ensure that the company has the range of skills and experience required by the Board.

Organisation

The Board of Directors administers the company and they meet a minimum of six times a year. There are sub-committees covering performance, property, care quality and development, remuneration, nominations and audit.

The following Directors were members of the sub-committees during the year:

- Care Quality Assurance - Mrs K J Leishman (Chair), Miss D J Clark, Mr I J Pawley, Ms M P Schwarz
- Performance - Mr J W Sherlock (Chair), Mr F D Brewer, Ms M Milano, Dr A Stanhope, Mr T F S Bacon, Mr C R W Yates
- Audit - Ms M P Schwarz (Chair), Mr F D Brewer, Mrs K J Leishman
- Nominations - Ms M Milano (Chair), Dr A Stanhope
- Remuneration - Dr A Stanhope (Chair), Ms M Milano, Mr J W Sherlock

The Board of Directors meet regularly to review the performance in relation to objectives, strategy and business plans as well as being responsible for strategic business decisions. The Board meets annually to discuss objectives, review strategy and approve the five year business plan and annual budget.

Each sub-committee has specific terms of reference and functions delegated by the Board. Each sub-committee reports directly to the Board. The day-to-day management of the organisation is delegated to the Chief Executive and the Executive Management Board.

Cornwall Care Limited

Directors' report for the year ended 31 December 2011 (continued)

Employee involvement

Regular meetings are held between senior managers and each business unit's management team to review progress and developments both in their business and the Company as a whole. Within each business the manager holds regular staff meetings to ensure that the Company's goals and objectives are fully understood. Members of staff from around the group have been involved in designing a new web-based staff survey process which went live in early 2011.

Directors and staff

The Directors wish to acknowledge and thank all staff for the dedication and hard work they have put into making Cornwall Care Limited a recognised and trusted provider of quality care for adults in Cornwall.

Related parties

The Company has two wholly-owned subsidiary companies, Cornwall Care (St Ives) Limited and Cornwall Care (Independent Living) Limited, set up in January 2010, to carry out property development work for a new care facility in St Ives consisting of a new care home and independent living units to replace two existing homes in the Carbis Bay area.

Risk management

The Directors have reviewed and reassessed the major risks to which the company is exposed, in particular those related to the operations and finances of the company, and are satisfied that systems are in place to mitigate exposure to major risks.

The Board of Directors and Audit Committee ensure that the major risks to which the company is exposed have been identified and systems put in place to mitigate these risks on an annual basis.

The year has seen the continued management of existing risks balanced with our response to new risks and the challenges they present. A balance has been struck between specific operational risks and more strategic issues. These include risks associated with personalisation, commissioning and the impact of reductions in public sector budgets.

Financial risk management

The company's operations exposed it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The company does monitor and take action in each of these areas to mitigate the potential adverse effects that such a risk may pose as follows:

Credit risk

The company has an established procedure to ensure that the credit risk is minimised. The markets in which the company operates mean that there is low credit risk. The main risk that the company carries is through unpaid invoices in the normal course of trading.

Liquidity risk

The company monitors its working capital requirements and cash flows to ensure that the company has sufficient available funds for operations.

Cornwall Care Limited

Directors' report for the year ended 31 December 2011 (continued)

Interest rate risk

The company had an interest rate swap for £2.5m at a fixed rate of 4.72% on 18 March 2010. This arrangement is contracted to last 10 years and the notional amount fixed rises to £5m on 18 March 2011 and £7m on 19 March 2012.

Health and safety

The Board receives an annual health and safety report from the management team. The report covers all health and safety issues including legislation, health and safety meetings, policies and procedures, accident reports and training needs.

Objectives and activities

The Company's objects, as set out in the Company's Memorandum and Articles of Association, are

- (a) To promote the relief of and provide relief, support and assistance to individuals who by reason of old age, or physical or mental handicap, require special care and attention,
- (b) To promote and provide relief to children and young people who require special care and attention, and
- (c) To promote, in particular the relief of, and provide support and assistance to, beneficiaries who are resident in or associated with the County of Cornwall, the County of Devon and the Isles of Scilly

'Beneficiaries' means the people referred to in the points above

Public benefit

The Company's charitable objectives are set out above. Throughout the year the Trustees have sought to benefit the public by

- providing care to those funded by means tested assistance from the Local Authority,
- continuing to develop and strengthen the My Options service, a facility which
 - supports people to access the benefits and funding to which they may be entitled, whether they are a client of Cornwall Care's or not,
 - runs 'memory cafés' a free service supporting people with dementia, and their family and friends, and
 - collates and maintains a database of benevolence funds which may be accessed by those in financial difficulty
- to continue to work closely with the Local Authorities on challenging and implementing change in the way that care for older people, those with dementia and those with learning difficulties is provided, and
- developing a fund within Cornwall Care which may be accessed by clients, who find themselves unable to continue to pay for our fees, be it permanent or temporary

As such the Trustees confirm that they comply with their duty to have due regard to the guidance on public benefit in exercising their powers and duties and consider it in all aspects of the charity's activities as reflected throughout the Directors' Report.

Cornwall Care Limited

Directors' report for the year ended 31 December 2011 (continued)

Objectives for the Year

The key objectives for the year were

- **Responding to the needs of our customers.**
 - To expand our community services and grow income and contribution from these services
 - To maintain high occupancy rates in our residential services and to continue our move towards providing nursing care
 - Grow learning disability and cognitive dysfunction services through extra care accommodation
- **Marketing, PR and customer service:**
 - To understand what motivates our customers so that we can build relationships with them,
 - To emphasise the reinforcement of the brand through language, behaviour and communication promoting enquires, dialogue and ultimately business,
 - To focus on the individual (our clients and their relatives and our colleagues) By investing in people and establishing and supporting their potential, they achieve fulfilment, gain satisfaction and continue to stay with Cornwall Care,
 - To demonstrate to our staff how valued they are, and
 - To continue to be the most expert and caring provider of services for older people and other customer groups, defined by our own standards as well as those of our clients and our commissioners
- **Developing the people:**
 - To achieve flexibility and adaptability we will build on our Education, Training and Practice development bedrock by nurturing the talent within our staff
 - To grow a confident, competent workforce who can transfer skills to meet our clients' needs
 - To recognise and promote a culture of achievement through implementation of My Voice staff survey and progress My Moment staff award scheme
 - Recruit, train and retain staff to ensure availability of Total Quality People to meet customers' needs and the organisations goals and objectives and to improve staff retention
- **Quality and risk, health and safety:**
 - To provide quality care, through quality services that demonstrate that each individual member of staff practices with accountability Risk is managed through knowledgeable decision making and the health and safety process used with our clients and staff liberates aspiration rather than denying ambition
- **Developing the infrastructure:**
 - To enhance the Company's internal and external environments to enable these spaces to be an integral part of the quality of care and services we deliver;
 - To contribute to the new buildings' designs, informing the creative spaces to facilitate therapeutic environments; and
 - To achieve good property management through understanding the fabric of our existing stock and adopting a systematic approach to its maintenance
- **Developing the strategy:**
 - To see the future clearly and understand the needs of the market,
 - To have the capability and confidence to plan to meet the future needs, and
 - To have our plans implemented with tangible, marketable services before the competitors can visualise the future
- **Support systems:**
 - To ensure that the Company has the required level of infrastructure, support systems and services in order to achieve its objectives

Cornwall Care Limited

Directors' report for the year ended 31 December 2011 (continued)

- **Maintaining financial health**

- To have high quality financial reporting in order to manage the business,
- To achieve financial stability and good financial performance by ensuring income targets are met and costs are managed satisfactorily,
- To ensure that we maintain and improve cash flows and liquidity in order to continue to operate and meet our obligations, and
- To be able to access funding (through borrowing or partnerships) in order to finance our capital development plans

Strategies to achieve objectives

The Board's focus to achieve the objectives has been the implementation of the following strategies

- **Responding to the needs of our customers** – The main aim of the current year has been to meet the increasing needs of our customers and commissioners. We continue to shape our services to provide higher levels of care. By the end of the year seven, of our eighteen homes were registered as care homes with nursing. A number of our facilities were also providing supported living services to adults with mental health issues which itself facilitated growth in our community services
- **Marketing, PR and customer service** – A key part of our service is communicating with clients, relatives and staff. This year has seen an on-going updating of the company's main website. However, other promotional activity this year has focussed on developing and maintaining inter-professional relationships with colleagues in commissioning agencies. A review of PR resources and effectiveness was commenced, the results of which will be evident in the 2012 activity in this area
- **Developing the people** – We continue to invest a significant amount in recruiting, training and retaining our staff at all levels. A great deal of focus has been on recruiting nursing staff for our growing nursing service and reducing staff turnover and sickness. We continue to invest in our Education, Training and Practice Development team who now operate as an Accredited Education Assessment Centre with City and Guilds
- **Quality and risk, health and safety** – In the year the care industry regulator, the Care Quality Commission (CQC) ceased using its rating mechanism. Previously all of the company's care services were rated 'Good'. Quality services are evaluated internally using an internal audit system and feedback on the company's performance is regularly received from clients and relatives at external quality meetings
- **Developing the infrastructure** – The year has seen continued work undertaken on our next development project at St Ives. In addition, work has progressed on identifying possible sites for new care facilities in Truro, Newquay, Bodmin, Camborne and Wadebridge
- **Developing the strategy** – The main activity in the year was the extension of existing care services into new areas. The major growth area in the year has been an increased implementation of nursing services and adult mental health services in supported living / extra care accommodation
- **Support systems** – No significant work was required or completed in this area
- **Maintaining financial health** – The financial review is set out on page 9. The margins achieved from the services we deliver continue to be very tight and our future financial success requires the organisation to provide higher need services and develop a greater private client market

Cornwall Care Limited

Directors' report for the year ended 31 December 2011 (continued)

Activities

The principal activity of the company continues to be the provision of care for adults and older people throughout Cornwall and parts of Devon. Our clients receive quality care services that are provided in the following ways

- **My Place** – Our 18 residential care homes provide care for older frail people and those with dementia, either on a permanent basis or for rehabilitation and respite visits. Nursing services were in operation in seven of these homes during 2011
- **Extra Care / Supported Living** – A number of our properties contain independent living units which provide accommodation enabling adults with mental health issues to live semi-independent lives within the community
- **My Choice** – Our domiciliary and community care services deliver care, meals and related services to clients in their own homes
- **My Days** – Our day care services operate within each residential care home, frequently integrated within home activities
- **My Progress Plus** – Our therapy and home assessment services operate in the community providing occupational therapy and physiotherapy services and support in improving home environments
- **My Options** – Our advisory service to support carers of dementia clients

Other community based services include meals, laundry and support services that help clients maintain their independence in the community

Achievements and performance

A review of Cornwall Care's strategy and annual plan for 2011 confirmed positive progress in a number of areas in meeting planned targets. These include

- **Financial targets** – The financial review is set out on page 9
- **Service development** – The growth of nursing, extra care/supported living and domiciliary services have enabled the organization to overcome pressures on occupancy and fees in the residential care sector
- **New care services** – The focus in the year has been the growth in existing care services rather than diversification into other areas. However, work continues to be undertaken on our intermediate care and therapy services (My Progress Plus) and extending our training services in the care sector
- **Quality** – The year saw significant investment in care quality and governance processes in order to improve and manage the quality of care throughout the organisation. The Care Quality Commission inspected all the care homes during 2011
- **Staff** – The company continued to invest significantly in staff education and practice development. This ranges from statutory training, in-house accredited courses to leadership training and coaching. This has resulted in low staff turnover rates throughout the year and continuing client satisfaction.

Cornwall Care Limited

Directors' report for the year ended 31 December 2011 (continued)

Financial review

The Statement of Financial Activities for the year is set out on page 14

In the year ended 31 December 2011, Cornwall Care Limited had net resources expended for the year before other recognised gains and losses of £0 268m (2010 £0 005m) and a net decrease in funds of £3 926m (2010 increase £3 401m) following the actuarial gain on the defined benefit pension scheme of £0 449m (2010 £3 406m) and loss on revaluation of My Place homes of £4 643m (2010 £nil). The net asset position at the year end (including pension liability) was £17 092m (2010 £21 018m)

Cornwall Care Limited's income totalled £22 700m (2010 £20 643m) for the year which represented an increase of £2 057m (10%) on 2010. The main source of income continued to be fees for residential and nursing care which made up £19 776m (2010 £17 965m) of income while domiciliary and community based services contributed £2 338m (2010 £2 175m)

Cornwall Care Limited's expenditure totalled £22 430m (2010 £20 647m) for the year which represented an increase of £1 784m (9%) on 2010. Staff and related costs continue to be the main area of expenditure. Other key costs include premises and equipment costs, residents' costs and administration. Total expenditure also includes a £0 147m adjustment as a result of the actuarial valuation of the defined benefit scheme as detailed below

The impact of the actuarial valuation of the defined benefit pension scheme as at 31 December 2011 has resulted in a decrease in the scheme deficit of £0 596m to £3 039m at the year end. This is shown in note 19. This movement is reflected in the following areas of the Statement of Financial Activities

- Resources expended
 - Staff costs – excess of employer contributions over current service cost of £0 206m
 - Financial expense – excess of interest cost over the expected return on employer assets of £0 059m
- Actuarial gain on defined benefit scheme of £0 449m

The first two items decrease net incoming resources for the year by £0 147m, while the actuarial gain on the scheme of £0 449m is shown below this line

Loans

The company had two loans in operation at the year end. The Cornwall Council loan of £1m is included in 'Creditors amounts falling due within one year' as the loan facility expired on 31 March 2009. The repayment of this loan remains outstanding

The other loan of £7 150m is included in 'Creditors amounts falling due in more than one year' and is the borrowing drawn down on a £20 000m revolving loan facility with Lloyds Banking Group which was formally agreed at a Board meeting on 11 March 2010 and came into operation on 18 March 2010. This facility runs for a five year period

Investment powers, policy and performance

The Trustees Investment Policy is governed by the Trustee Investment Act 2000

Under the Memorandum and Articles of Association, the company has the power to make any investment that the Directors see fit. Short-term surplus funds are invested to give the highest rate of interest having regard to the short-term requirements of the business and future capital building programme

Cornwall Care Limited

Directors' report for the year ended 31 December 2011 (continued)

Reserves policy

As at 31 December 2011, the company has unrestricted funds of £17 037m of which £3 320m was freely available. The balance was invested in fixed assets or was designated for other purposes as detailed in note 17 to the Financial Statements.

The company aims to maintain sufficient reserves to cover possible future deficits that may occur due to fluctuations in business activity and to take opportunities as they arise. The reserves policy is reviewed annually as part of the business plan, and to ensure the charity meets the required level of reserves.

The actuarial valuation of the Cornwall Care defined benefit pension scheme, as at 31 December 2011 for the purposes of FRS17 showed a funding deficit of £3 039m (2010: £3 635m), which is included in unrestricted funds. The corresponding liability does not result in an immediate cash flow impact on the company.

Contributions to the pension plan are met through planned income. The pension liability is therefore excluded from the free reserves calculation above.

Plans for future periods

Cornwall Care has a five year rolling business plan for 2012 to 2016. This sets the strategic direction of the organisation and forms the framework for the business plan and annual budget for 2012.

The business plan has eight domains which remain unchanged for 2011. These are summarised below and described in full on pages 6 and 7.

- Developing the infrastructure,
- Responding to the needs of our customers,
- Developing the people,
- Marketing, PR and customer service,
- Support systems,
- Developing the strategy,
- Quality and risk, health and safety; and
- Maintaining financial health.

Employees

Cornwall Care is committed to equal opportunities in employment.

The company recognises its responsibilities in relation to people with disabilities. The company gives full consideration to applicants for employment from disabled people, who adequately fulfil the requirements of the job. Should existing employees become disabled it is the company's policy, if practicable, to provide continuing employment under the company's terms and conditions and to provide appropriate training.

Cornwall Care Limited

Directors' report for the year ended 31 December 2011 (continued)

Statement of the directors' responsibilities

The directors are responsible for preparing the Directors' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- 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 charitable 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 charitable 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 charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware

- there is no relevant audit information of which the charitable company's auditor is 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 auditor is aware of that information

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

By order of the Board

Mr T. Wieringa
Company Secretary



19/7/12

Cornwall Care Limited

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS AND TRUSTEES OF CORNWALL CARE LIMITED

We have audited the financial statements of Cornwall Care Limited for the year ended 31 December 2011 which comprise the Consolidated Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Consolidated Cash Flow Statement 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).

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Directors' Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) 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 and express an opinion on 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 Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the charity's members and trustees as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 December 2011, and of the group's incoming resources and application of resources, including its income and expenditure and the group's cash flows, 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.

Cornwall Care Limited

Opinion on other matter prescribed by the Companies Act 2006

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

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 require us to report to you if, in our opinion

- adequate accounting records have not been kept by the parent charitable company or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit

Heather Ancient

Heather Ancient (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Plymouth

1 August 2012

Cornwall Care Limited

Consolidated statement of financial activities the year ended 31 December 2011

	Note	Restricted funds £	Unrestricted funds £	Total 2011 £	Total 2010 £
Incoming resources					
Incoming resources from generated funds					
- Voluntary income	3	-	29,093	29,093	100
- Investment income		-	17,473	17,473	16,665
Incoming resources from charitable activities					
- My Place		-	19,776,022	19,776,022	17,965,137
- My Days		-	338,206	338,206	370,014
- My Choice		-	2,337,881	2,337,881	2,174,594
- My Progress		-	49,976	49,976	38,060
Other incoming resources		-	151,825	151,825	78,505
Total incoming resources		-	22,700,476	22,700,476	20,643,075
Resources expended					
Charitable activities					
Care services	4	-	20,978,896	20,978,896	17,766,011
Support costs	4	-	1,419,249	1,419,249	2,847,221
Governance costs	4	-	32,481	32,481	33,487
Total resources expended		-	22,430,626	22,430,626	20,646,719
Net incoming resources/(resources expended) before taxation		-	269,850	269,850	(3,644)
Taxation	6	-	(1,828)	(1,828)	(1,448)
Net incoming resources/ (resources expended) before other recognised gains and losses	5	-	268,022	268,022	(5,092)
Actuarial gain/(loss) on defined benefit scheme		-	449,000	449,000	3,406,000
Loss on revaluation of fixed assets for the Charity's own use		-	(4,643,424)	(4,643,424)	-
Net movement in funds		-	(3,926,402)	(3,926,402)	3,400,908
Funds brought forward		54,535	20,963,493	21,018,028	17,617,120
Funds carried forward		54,535	17,037,091	17,091,626	21,018,028

The group has no recognised gains and losses other than the net incoming resources before other recognised gains or losses for the year as shown above. The group has no acquisitions or discontinued operations during the years ended 31 December 2011 or 2010.

Cornwall Care Limited

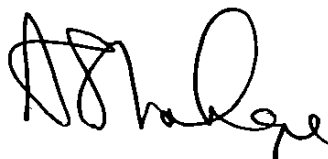
Balance Sheets as at 31 December 2011

	Note	Group 2011 £	2010 £	Company 2011 £	2010 £
Fixed assets					
Tangible assets	7	28,158,921	31,863,255	27,620,664	31,478,091
Investment	8	-	-	5	2
		28,158,921	31,863,255	27,620,669	31,478,093
Current assets					
Stock	9	117,510	94,515	4,886	10,000
Debtors	10	1,564,581	1,476,147	2,238,731	1,944,494
Cash at bank and in hand		648,786	1,274,327	648,786	1,274,326
		2,330,877	2,844,989	2,892,403	3,228,820
Creditors amounts falling due within one year	11	(3,207,341)	(3,255,216)	(3,246,218)	(3,269,240)
Net current liabilities		(876,464)	(410,227)	(353,815)	(40,420)
Total assets less current liabilities		27,282,457	31,453,028	27,266,854	31,437,673
Creditors amounts falling due after more than one year	12	(7,150,000)	(6,800,000)	(7,150,000)	(6,800,000)
Provisions for liabilities and charges	13	(1,831)	-	-	-
Net assets excluding pension liability		20,130,626	24,653,028	20,116,854	24,637,673
Defined benefit scheme pension liability	19	(3,039,000)	(3,635,000)	(3,039,000)	(3,635,000)
Net assets including pension liability		17,091,626	21,018,028	17,077,854	21,002,673
Funds					
Unrestricted funds					
- Designated funds	14	34,837	41,505	34,837	41,505
- General funds	15	3,320,228	3,192,538	3,306,456	3,177,183
- Revaluation reserve	15	16,721,026	21,364,450	16,721,026	21,364,450
Total unrestricted funds excluding Pension reserve		20,076,091	24,598,493	20,062,319	24,583,138
- Pension reserve	15	(3,039,000)	(3,635,000)	(3,039,000)	(3,635,000)
Total unrestricted funds		17,037,091	20,963,493	17,023,319	20,948,138
Restricted fund	16	54,535	54,535	54,535	54,535
		17,091,626	21,018,028	17,077,854	21,002,673

The financial statements on pages 14 to 33 were approved by the board of directors on and were signed on its behalf by

A/7/12

Dr A Stanhope
Chairman



Registered No 03079623

Cornwall Care Limited

Consolidated cash flow statement for the year ended 31 December 2011

	Note	2011 £	2010 £
Net cash inflow from operating activities	1	825,979	851,151
Returns on investment and servicing of finance	2	(438,408)	(403,366)
Capital (expenditure)	2	(1,363,112)	(816,476)
Cash outflow before financing		(975,541)	(368,691)
Financing			
Loans received/(repaid) in year	3	350,000	(23,174)
(Decrease) in cash in the year		(625,541)	(391,865)

Reconciliation of net cash flow to movement in net debt

	2011 £	2010 £
(Decrease)/increase in cash in the year	(625,541)	(391,865)
Cash movement in debt	(350,000)	23,174
Movement in net debt in the year	(975,541)	(368,691)
Net debt at beginning of year	(6,525,673)	(6,156,982)
Net debt at end of year	(7,501,214)	(6,525,673)

Cornwall Care Limited

Notes to the consolidated cash flow statement for the year ended 31 December 2011

1. Reconciliation of change in resources to net cash inflow from operating activities

	2011 £	2010 £
Net income resources for the year	268,022	(5,092)
Interest receivable	(17,473)	(16,665)
Profit on disposal of fixed assets	-	-
Depreciation charge	425,853	393,311
Interest payable	455,881	420,031
Increase in stock	(22,995)	(94,515)
(Increase)/decrease in debtors	(88,434)	53,477
(Decrease) in creditors	(47,875)	(68,396)
Pension costs	(147,000)	169,000
Net cash inflow from operating activities	825,979	851,151

2. Gross cash flows

	2011 £	2010 £
Returns on investment and servicing of finance		
Interest received	17,473	16,665
Interest paid	(455,881)	(420,031)
	(438,408)	(403,366)
Capital income/(expenditure)		
Proceeds of sale of tangible fixed assets	1,921	-
Payments to acquire tangible fixed assets	(1,365,033)	(816,476)
	(1,363,112)	(816,476)

3. Analysis of changes in net debt

	At 31 Dec 2010 £	Cashflows £	At 31 Dec 2011 £
Cash at bank and in hand	1,274,327	(625,541)	648,786
Debt falling due within one year	(1,000,000)	-	(1,000,000)
Debt falling due after one year	(6,800,000)	(350,000)	(7,150,000)
Net debt	(6,525,673)	(975,541)	(7,501,214)

Cornwall Care Limited

Notes to the financial statements for the year ended 31 December 2011

1. Constitution

The company was incorporated under the Companies Act 1985 as a company limited by guarantee and not having share capital. In the event of winding up, every Member of the company is liable to contribute a sum not exceeding £1 per Member towards the debts and liabilities of the company and the costs, charges and expenses of winding up. At 31 December 2011, there were 11 members (2010: 11).

2. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Accounting convention

These financial statements have been prepared on a going concern basis and under the historical cost convention, as modified by the revaluation of certain fixed assets, and in accordance with applicable accounting standards and follow the recommendations in the Statement of Recommended Practice: Accounting and Reporting by Charities (SORP 2005) issued in March 2005. As a consequence, the financial statements do not include a separate income and expenditure account in the form specified by the Companies Act 2006. This is a departure from the statutory format of financial statements, but it is required by section 396 Companies Act 2006 to enable the financial statements to give a true and fair view. In all other respects, the financial statements have been prepared in accordance with the Companies Act 2006.

Consolidated financial statements have been prepared in respect of the charitable company, Cornwall Care (St Ives) Limited and Cornwall Care (Independent Living) Ltd. The results of Cornwall Care (St Ives) Limited and Cornwall Care (Independent Living) Limited have been consolidated into the statement of financial activities. Intra group transactions, balances, income and expenses are eliminated on consolidation.

Accounting policies of subsidiaries are consistent with policies adopted by the group.

In accordance with section 408 of the Companies Act 2006, a separate statement of financial activities for the company has not been presented.

Voluntary income

Voluntary income received by way of donations to the company is included in full in the statement of financial activities when receivable.

Legacy income

A legacy is recognised in the financial statements when the certainty of receipt and the amount receivable has been established.

Charitable income

Turnover comprises the value of services undertaken by the company for its principal activities and is recognised as the service or care is provided.

Resources expended

Resources expended are included in the Statement of Financial Activities on an accruals basis, inclusive of any irrecoverable VAT. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of an estimate of the proportion of time spent by staff on those activities.

Cost of activities in furtherance of the company's objects include costs which are directly related to or allocated to the operation of the care homes and provision of care services.

Cornwall Care Limited

Governance costs are those incurred in connection with governance of the company and compliance with constitutional and statutory requirements

Restricted funds

Restricted funds are to be used for specified purposes as laid down by the donor. Expenditure which meets these criteria is charged to the fund.

Unrestricted and designated funds

Unrestricted funds are donations and other income received or generated for the objects of the charity without further specified purpose are available as general funds. Designated funds are unrestricted funds earmarked by the directors for particular purposes.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation.

Depreciation is provided on tangible fixed assets once they have been brought into use at rates calculated to write off the cost less residual value of each asset over its expected useful life of

- | | |
|--|-----------------|
| • Freehold property | 50 years |
| • Long leasehold properties | length of lease |
| • Computer equipment | 4 years |
| • Fixtures, fittings and other equipment | 4 years |
| • Motor vehicles | 4 years |
| • Long term equipment | 10 years |

Freehold and long leasehold properties are revalued every two years by an independent valuation expert on an existing use basis, with the excess over the carrying value of the asset taken to the revaluation reserve. Property assets in the course of construction are included at cost.

Stock

Work in progress is valued at the lower of cost, including attributable overheads, and net realisable value.

Where a development is in progress net realisable value is assessed by considering the expected future revenues and the expected costs to complete the development.

Leases

Rentals payable under operating leases, where substantially all the risks and rewards of ownership remain with the lessor, are charged to the statement of financial activities in the year in which they fall due.

Pension costs

Some of the group's employees belong to the Cornwall Council Superannuation Fund ("CCSF") which is the defined benefit type pension scheme. The CCSF assets are measured using bid values. The scheme liabilities are measured using a projected method and discounted at the current rate or return on a high quality corporate bond of equivalent term and currency to the liability. The increase in the present value of the liabilities of the Company's defined benefit pension scheme expected to arise from employee's service in the period is charged to staff costs. The expected return on the scheme's assets and the increase during the period in the present value of the scheme liabilities arising from the passage of time are included in investment income/interest payable. Actuarial gains and losses are recognised below the line in the SOFA.

The pension scheme's surpluses to the extent that they are considered recoverable, or deficits are recognised in full and presented on the face of the balance sheet.

A group money purchase scheme which is a defined contribution pension is also in place. The amounts charged in respect of pension costs are the contributions payable to this scheme during the year.

Cornwall Care Limited

Interest rate hedging

The Company uses interest rate swap arrangements to manage its exposure to interest rate risk on its borrowings. Payments or receipts on interest rate swaps are accrued with interest payable and these derivatives are not revalued as the company does not intend to trade these financial instruments.

3. Voluntary income

	2011 £	2010 £
Legacy	29,000	-
Donations	93	100
	29,093	100

4. Total resources expended

Resources expended represent the following direct costs

Group	Care Services £	Support Costs £	Governance Cost £	Total 2011 £	Total 2010 £
Staff costs	17,027,937	463,190	14,342	17,505,469	15,581,659
Resident costs	1,081,154	-	-	1,081,154	1,062,356
Premise and equipment costs	1,800,453	185,500	-	1,985,953	2,144,907
Communications	134,311	-	-	134,311	110,793
Legal and professional	168,812	3,000	18,139	189,951	202,180
Depreciation	426,141	-	-	426,141	393,881
Other care expenses	340,088	-	-	340,088	308,957
Other admin expenses	-	252,678	-	252,678	263,682
Pension financial expense	-	59,000	-	59,000	246,000
Loan interest payable	-	455,881	-	455,881	420,031
Gain on hedging instrument	-	-	-	-	(87,727)
	20,978,896	1,419,249	32,481	22,430,626	20,646,719

Company	Care Services £	Support Costs £	Governance Cost £	Total 2011 £	Total 2010 £
Staff costs	17,146,703	477,532	14,342	17,638,577	15,690,695
Resident costs	1,081,154	-	-	1,081,154	1,062,356
Premise and equipment costs	1,800,453	185,500	-	1,985,953	2,161,212
Communications	134,311	-	-	134,311	110,793
Legal and professional	158,382	3,000	15,739	177,121	199,780
Depreciation	426,141	-	-	426,141	386,656
Other care expenses	360,054	-	-	360,054	308,957
Other admin expenses	-	252,678	-	252,678	282,886
Pension financial expense	-	59,000	-	59,000	246,000
Loan interest payable	-	455,881	-	455,881	429,943
Gain on hedging instrument	-	-	-	-	(87,727)
	21,107,198	1,433,591	30,081	22,570,870	20,791,551

Cornwall Care Limited

5. Net incoming resources for the year

This is stated after charging/(crediting)

	2011 £	2010 £
Remuneration to auditors for audit services - group	18,139	17,280
Remuneration to auditors for audit services - company	15,739	14,880
Remuneration to auditors for tax services - group	2,300	-
Remuneration to auditors for other services - group	3,300	-
Depreciation	425,853	393,311
Rent payable - land	66,172	47,744
Rent payable - other	-	2,217
Interest receivable	(17,473)	(16,665)

6. Taxation

All of the parent company's income is applied for charitable purposes and therefore the company is exempt from corporation tax, however the trading subsidiaries are subject to corporation tax

	2011 £	2010 £
Current tax		
United Kingdom corporation tax	1,445	1,448
Adjustment in respect of prior periods	(1,448)	-
Tax on profit on ordinary activities	(3)	1,448

	2011 £	2010 £
Profit/(loss) on ordinary activities before tax	268,022	(5,092)
Profit on ordinary activities at the standard rate of 20 25% (2010 21%) corporation tax in the UK	1,445	(1,069)
Adjustment in respect of prior periods	(1,448)	-
Effects of		
Expenses not deductible for tax purposes		(1,922)
Other timing differences		(159)
Income not taxable (charitable exemption)	-	4,598
Deferred tax- short term timing differences	1,831	-
Total current tax	1,828	1,448

Cornwall Care Limited

7. Tangible fixed assets

Group	Freehold property £	Long leasehold property £	Work in progress £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2011	4,830,000	26,693,114	398,250	1,010,904	75,011	33,007,279
Additions	780,111	3,532	153,093	408,624	19,673	1,365,033
Revaluation	(830,000)	(4,471,458)	-	-	-	(5,301,458)
At 31 December 2011	4,780,111	22,225,188	551,343	1,419,528	94,684	29,070,854
Depreciation						
At 1 January 2011	100,625	230,089	-	767,873	45,437	1,144,024
Charge for year	100,625	230,896	-	82,426	11,906	425,853
Revaluation	(201,250)	(456,694)	-	-	-	(657,944)
At 31 December 2011	-	4,291	-	850,299	57,343	911,933
Net book value						
At 31 December 2011	4,780,111	22,220,897	551,343	569,229	37,341	28,158,921
At 31 December 2010	4,729,375	26,463,025	398,250	243,031	29,574	31,863,255

Company	Freehold property £	Long leasehold property £	Work in progress £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 January 2011	4,830,000	26,693,114	13,086	1,010,904	75,011	32,622,115
Additions	780,111	3,532	-	408,624	19,673	1,211,940
Revaluation	(830,000)	(4,471,458)	-	-	-	(5,301,458)
At 31 December 2011	4,780,111	22,225,188	13,086	1,419,528	94,684	28,532,597
Depreciation						
At 1 January 2011	100,625	230,089	-	767,873	45,437	1,144,024
Charge for year	100,625	230,896	-	82,426	11,906	425,853
Revaluation	(201,250)	(456,694)	-	-	-	(657,944)
At 31 December 2011	-	4,291	-	850,299	57,343	911,933
Net book value						
At 31 December 2011	4,780,111	22,220,897	13,086	569,229	37,341	27,620,664
At 31 December 2010	4,729,375	26,463,025	13,086	243,031	29,574	31,478,091

The revaluation of the company's care home freehold and leasehold properties was carried out on 16 November 2011 by Christie + Co, valuation consultants, and is based on an existing use market value £26,210,000. The historic cost of the revalued property is £6,198,982 (2010 £6,198,982).

Cornwall Care Limited

8. Investment

	2011 £	2010 £
Investment in subsidiaries at cost		
At 1 January	2	1
Additions	3	2
Dissolutions	-	(1)
At 31 December	5	2

Company

The company holds the whole of the issued share capital of the following companies

	Principal activity
Cornwall Care (Independent Living) Limited	Property Developer
Cornwall Care (St Ives) Limited	Property Developer

Cornwall Care (St Ives) Limited was incorporated on 18 January 2010 and carries out property development work on behalf of the company

Cornwall Care (Independent Living) Limited was incorporated on 25 January 2010 and carries out property development work on behalf of the company

Cornwall Care (Truro) was incorporated on 18 April 2011, Cornwall Care (Bodmin) was incorporated on 02 August 2011 and Cornwall Care (Wadebridge) was incorporated on 03 November 2011. The three companies were dormant throughout the year.

Cornwall Care (Independent Living) Limited

Summary profit and loss	2011 £	2010 £
Turnover	6,358	6,133
Administrative expenses	(5,915)	(1,100)
Gift Aid	(4,274)	-
(Loss)/Profit on ordinary activities before taxation	(3,831)	5,033
Taxation	808	(898)
(Loss)/Profit on ordinary activities after taxation	(3,023)	4,135

Cornwall Care Limited

Summary balance sheet	2011	2010
	£	£
The assets and liabilities of the subsidiary were		
Current assets	113,216	65,447
Creditors amounts falling due within one year	(112,103)	(61,311)
Total net assets	1,113	4,136
Aggregate share capital and reserves	1,113	4,136

Cornwall Care (St Ives) Limited

Summary profit and loss	2011	2010
	£	£
Turnover	13,608	13,070
Administrative expenses	(6,915)	(1,300)
Gift Aid	(2,617)	-
Net profit	4,076	11,770
Taxation	(2,636)	(550)
Profit on ordinary activities after taxation	1,440	11,220

Summary balance sheet	2011	2010
	£	£
The assets and liabilities of the subsidiary were		
Current assets	543,159	404,659
Creditors amounts falling due within one year	(528,667)	(393,438)
Provisions for liabilities and charges	(1,831)	-
Total net assets	12,661	11,221
Aggregate share capital and reserves	12,661	11,221

9. Stock

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Work in Progress	112,624	84,515	-	-
Finished Products	4,886	10,000	4,886	10,000
	117,510	94,515	4,886	10,000

Cornwall Care Limited

10. Debtors

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Trade debtors	1,378,540	1,143,975	1,378,540	1,143,975
Amount owed by subsidiary undertaking	-	-	674,150	468,347
Other debtors	94,558	62,329	94,558	62,329
Prepayments and accrued income	91,483	269,843	91,483	269,843
	1,564,581	1,476,147	2,238,731	1,944,494

11. Creditors: amounts falling due within one year

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Loans due within one year	1,000,000	1,000,000	1,000,000	1,000,000
Trade creditors	492,711	437,396	534,825	455,263
Other creditors	941,967	780,907	941,966	780,907
Corporation tax	1,445	1,448	-	-
Taxation and social security	388,835	416,697	394,244	416,702
Accruals	373,037	189,946	365,837	187,546
Resident fees paid in advance	9,346	428,822	9,346	428,822
	3,207,341	3,255,216	3,246,218	3,269,240

The Cornwall Council loan facility was due to end on 31 March 2009 when the loan was repayable. However, it is still unclear what the intentions of Cornwall Council are as regards payment.

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

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Bank loan	7,150,000	6,800,000	7,150,000	6,800,000
Analysis of loans				
Included in current liabilities	1,000,000	1,000,000	1,000,000	1,000,000
	8,150,000	7,800,000	8,150,000	7,800,000

Loan maturity analysis

In more than two years but not more than five years	7,150,000	6,800,000	7,150,000	6,800,000
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Cornwall Care Limited

The company had two loans in operation at the year end

- A £7,150,000 (2010 £6,800,000) loan with Lloyds Banking Group at a variable interest rate of 1.85% above 3-month LIBOR; and
- an interest free loan provided by Cornwall Council

The Lloyds Banking Group loan is part of a revolving loan facility which began on 18 March 2010 and runs for a five year period. The bank loan is secured as a first charge on the leasehold premises while Cornwall Council has a second charge.

The total amount of secured creditors is £8,150,000 (2010 £7,800,000)

13. Provisions for liabilities and charges

Deferred Tax	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
At 1 January	-	-	-	-
Debit to profit and loss	1,831	-	-	-
At 31 December	1,831	-	-	-

	Group		Company	
	2011	2010	2011	2010
	£	£	£	£
Short term timing differences	1,831	-	-	-
Deferred tax provision	1,831	-	-	-

Cornwall Care Limited

14. Designated funds – Group and Company

	Balance at 1 January 2011 £	Transfer to General Fund £	Balance at 31 December 2011 £
Homes' amenities account	41,505	(6,668)	34,837

The Homes' amenities accounts are to provide minor comforts and benefits for residents as agreed by the residents and staff

15. Unrestricted general funds

Group	General Fund £	Pension Fund £	Revaluation Reserve	Total £
At 1 January 2011	3,192,538	(3,635,000)	21,364,450	20,921,988
Net incoming resources	121,022	147,000	-	268,022
Actuarial gain	-	449,000	-	449,000
Revaluation of fixed assets	-	-	(4,643,424)	(4,643,424)
Transfer from amenities account	6,668	-	-	6,668
At 31 December 2011	3,320,228	(3,039,000)	16,721,026	17,002,254

Company	General Fund £	Pension Fund £	Revaluation Reserve	Total £
At 1 January 2011	3,177,183	(3,635,000)	21,364,450	20,906,633
Net incoming resources	122,605	147,000	-	269,605
Actuarial gain	-	449,000	-	449,000
Revaluation of fixed assets	-	-	(4,643,424)	(4,643,424)
Transfer from amenities account	6,668	-	-	6,668
At 31 December 2011	3,306,456	(3,039,000)	16,721,026	16,988,482

16. Restricted fund

	Balance at 1 January 2011 £	Incoming resources £	Resources expended	Balance at 31 December 2011 £
Grant	54,535	-	-	54,535

Purpose of the restricted fund

A capital grant of £55,000 was received for property alterations under the Supported Living scheme at Mountford in Truro

Cornwall Care Limited

17. Analysis of group net assets between funds

	Restricted Fund £	Designated Funds £	General Fund £	Pension Fund £	Revaluation Reserve £	Total £
Tangible fixed assets	54,535	-	11,383,360	-	16,721,026	28,158,921
Current assets	-	34,837	2,296,040	-	-	2,330,877
Current liabilities	-	-	(3,207,341)	-	-	(3,207,341)
Creditors due after more than one year	-	-	(7,150,000)	-	-	(7,150,000)
Provisions for liabilities and charges	-	-	(1,831)	-	-	(1,831)
Pension liability	-	-	-	(3,039,000)	-	(3,039,000)
At 31 December 2011	54,535	34,837	3,320,228	(3,039,000)	16,721,026	17,091,626

18. Commitments

The group and company had the no capital commitments at the end of the year for which no provision has been made

As at 31 December 2011 annual commitments under non-cancellable operating leases were as follows

Group and company	Land and buildings 2011 £	Land and buildings 2010 £
Leases expiring		
Within two to five years	33,888	48,290

Cornwall Care Limited

19. Pension costs

The group operates a defined contribution scheme whose assets are held separately from those of the group in an independently administered fund, as well as a defined benefit scheme that is detailed below

The note relates only to the Cornwall Council Superannuation Fund of Cornwall Care Limited which is the only defined benefit scheme and involves 48 (2010 53) current members of the scheme and 295 former employees (2010 293)

Local government pension scheme

The Local Government Pension Scheme is a defined benefit scheme, with the asset held in separate trustee administered funds. The total contribution made for the year ended 31 December 2011 was £470,000 (2010 £409,000) of which employer's contributions totalled £406,000 (2010 £343,000) and employees' contributions totalled £64,000 (2010 £66,000). The estimated employer's contributions for the year ended 31 December 2012 will be approximately £426,000.

Principal actuarial assumptions

The principal actuarial assumptions used for calculating the liabilities as at 31 December 2011 and 31 December 2010 were as follows

	2011	2010
Pension increase rate	2.3%	3.1%
Salary increase rate	4.6%	5.1%
Expected return on assets	5.3%	6.6%
Discount rate	5.2%	5.4%

For membership prior to 1 April 2009, an allowance is included for 40% of future retirements to elect to take additional tax-free cash sum up to HMRC limits. For membership post 1 April 2009, an allowance included for 70% of future retirements to elect to take additional tax-free cash sum to HMRC limits.

At 31 December 2011, the assumed average life expectations on retirement age 65 are as follows

	2011		2010	
	Male	Female	Male	Female
Current pensioners	21.3 years	23.4 years	21.3 years	23.4 years
Future pensioners	23.2 years	25.6 years	23.2 years	25.6 years

The company's share of the assets and liabilities in the scheme and the expected rate of returns were

	31 December 2011 £	Long term rate of return	31 December 2010 £	Long term rate of return
Equities	7,274,000	6.1%	7,947,000	7.3%
Bonds	1,819,000	3.8%	1,545,000	4.8%
Properties	749,000	4.2%	773,000	5.3%
Cash	856,000	3.2%	773,000	4.4%
Total market value of assets	10,698,000		11,038,000	
Present value of scheme liabilities	(13,737,000)		(14,673,000)	
Deficit in the scheme	(3,039,000)		(3,635,000)	

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Analysis of the amount charged to the consolidated statement of financial activities

	2011 £	2010 £
Current service cost	200,000	266,000
Total operating charge	200,000	266,000
Expected return on employers assets	724,000	776,000
Interest on pension scheme liabilities	(783,000)	(1,022,000)
Pension finance expenditure	(59,000)	(246,000)

Actual return on assets

Expected return on assets	724,000	776,000
Actuarial (loss) on assets	(938,000)	(704,000)
Actual return on assets	(214,000)	72,000

Amounts recognised in the statement of financial activities (SOFA)

	2011 £	2010 £
Change in financial and demographic assumption on underlying scheme liabilities	1,387,000	4,110,000
Actual return less expected return on pension scheme assets	(938,000)	(704,000)
Actuarial gain/(loss) recognised in SOFA	449,000	3,406,000
Total actuarial gain recognised in SOFA at 1 January	(1,347,000)	(3,661,000)
Total actuarial gain recognised in SOFA at 31 December	(898,000)	(255,000)

Movement in deficit during the year

	2011 £	2010 £
Deficit in scheme at 1 January	(3,635,000)	(6,872,000)
Service cost	(200,000)	(266,000)
Employer's contributions	406,000	343,000
Actuarial gain	449,000	3,406,000
Net return on assets	(59,000)	(246,000)
Deficit in scheme at 31 December	(3,039,000)	(3,635,000)

Cornwall Care Limited

Reconciliation of liabilities	2011	2010
	£	£
Liabilities at start of year	14,673,000	17,950,000
Service cost	200,000	266,000
Interest cost	783,000	1,022,000
Employee's contributions	64,000	66,000
Actuarial (gain) on scheme	(1,387,000)	(3,018,000)
Benefits paid	(596,000)	(521,000)
Past service cost	-	(1,092,000)
Deficit in scheme at 31 December	13,737,000	14,673,000

Reconciliation of assets	2011	2010
	£	£
Assets at start of year	11,038,000	11,078,000
Expected return on assets	724,000	776,000
Actuarial (loss)/gain	(938,000)	(704,000)
Employer's contributions	406,000	343,000
Employee's contributions	64,000	66,000
Benefits paid	(596,000)	(521,000)
Deficit in scheme at 31 December	10,698,000	11,038,000

History of asset values, present values of liabilities and surplus/deficit

	31 December 2011	31 December 2010	31 December 2009	31 December 2008	31 December 2007
	£	£	£	£	£
Fair value of assets	10,698,000	11,038,000	11,078,000	9,856,000	12,676,000
Total present value of liabilities	13,737,000	14,673,000	17,950,000	12,365,000	14,374,000
Deficit	(3,039,000)	(3,635,000)	(6,872,000)	(2,509,000)	(1,698,000)

History of experience gains and losses

	31 December 2011	31 December 2010	31 December 2009	31 December 2008	31 December 2007
	£	£	£	£	£
Experience (losses)/gains on assets	(938,000)	(704,000)	611,000	(6,746,000)	(363,000)
Experience losses on liabilities	-	-	-	-	(238,000)

Cornwall Care Limited

20. Staff number and costs

The average monthly number of persons employed by the company (excluding directors) during the year was as follows (the numbers include full and part time employees)

	2011	2010
Care services	1,243	1,162
Management and administration	47	46
	1,290	1,208

The average monthly number of persons on a full time equivalent basis was as follows.

	2011	2010
Care services	742	692
Management and administration	41	37
	783	729

The aggregate payroll costs of these persons were as follows

	2011 £	2010 £
Wages, salaries and other employment costs	15,231,981	13,620,764
Social security costs	943,839	891,160
Other pension costs	341,203	379,415
	16,517,023	14,891,339

The number of staff receiving emoluments in the following bands was as follows

	2011	2010
£60,001 - £70,000	1	2
£80,001 - £90,000	1	1

All employees earning more than £60,000 participate in the defined benefit pension scheme. Total contributions payable for these employees amounted to £30,536 (2010 £39,389)

21. Remuneration of directors

The Directors of the company received no remuneration. Three directors received reimbursement for travel cost and subsistence for attending meetings and training courses which amounted to £1,681 (2010 £1,041) in total.

The company has Directors and Officers Liability insurance with AIG (Europe) Limited which provides £2m of indemnity insurance for the directors.

Cornwall Care Limited

22. Related party transactions

At 31 December 2011 the company was owed £519,722 (2010 £391,166) by Cornwall Care (St Ives) Limited arising as a result of transactions during the year with a total value of £128,556 (2010 £391,166)

At 31 December 2011 the company was owed £107,902 (2010 £54,614) by Cornwall Care (Independent Living) Limited arising as a result of transactions during the year with a total value of £53,288 (2010 £54,614)

At 31 December 2011, the company owed £6,770 (2010 £6,784) to Brewer & Bunney Limited, a company owned by Mr F D Brewer, a director of the company, as a result of transaction in the normal course of business totalling £136,910 (2010 £142,108) during the year

23. Custodian

The company is custodian trustee of residents' savings bank accounts. The money held in these bank accounts at 31 December was £37,504 (2010 £38,091)

These accounts are not included within these financial statements