

Company Registration No. 04582476

Care Management Group (UK) Limited

Report and Financial Statements

28 February 2010

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Care Management Group (UK) Limited

Report and financial statements 2010

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Care Management Group (UK) Limited

Report and financial statements 2010

Officers and professional advisers

Directors

P Kinsey
D Harland

Secretary

G J Fitton

Registered Office

The Pointe
89 Hartfield Road
Wimbledon
London
SW19 3TJ

Bankers

NatWest
PO Box 3415
Bishopsgate
London
EC2P 2AP

Auditors

Deloitte LLP
Reading

Care Management Group (UK) Limited

Directors' report For the year ended 28 February 2010

The directors present their annual report and the audited financial statements for the year ended 28 February 2010

Principal activity

The Company's principal activity is to act as an intermediate holding company for the Group, whose principal activity is providing residential care and supported living services for people with learning disabilities and complex needs including mental health needs. The Company did not trade during the current year.

Results and dividends

The trading 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 did not pay a dividend during the year (2009 £nil).

Principal risks and uncertainties

The Company holds investments in subsidiary companies and is therefore exposed to the risk of impairment. This risk is managed through close management of the trading entities supporting the value of these investments.

Future prospects

The directors intend to maintain the Company as an intermediate holding Company for the foreseeable future. The current economic conditions have not impacted business results year on year, however, we acknowledge that the current economic environment creates uncertainty over the level of future trading performance. As at the balance sheet date the Company was in a net liabilities position, however the directors have a signed agreement from CMG Investment Holdings Limited that it will receive adequate financial support for at least 12 months following the signing of the accounts. Considering the financial support of the parent Company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have continued to adopt the going concern basis in preparing the annual report and accounts.

Directors

The directors who served the Company during the year and since the year end are set out on page 1.

Auditors

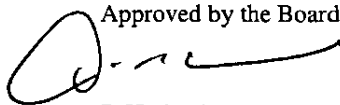
Each of the persons who is a director at the date of approval of this report confirms that

- (1) so far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (2) the directors have taken all the steps that they ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of S418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board



D Harland
Director
27 May 2010

Care Management Group (UK) Limited

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping 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.

Independent auditors' report to the members of Care Management Group (UK) Limited

We have audited the financial statements of Care Management Group (UK) Limited for the year ended 28 February 2010 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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 company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 28 February 2010 and of its result for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other 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 statement.

Independent auditors' report to the members of Care Management Group (UK) Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

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



Mark Mullins (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditors
Reading, United Kingdom
27 May 2010

Care Management Group (UK) Limited

Profit and Loss account For the year ended 28 February 2010

	Note	2010 £'000	2009 £'000
Administrative expenses		-	(1)
Operating loss	2	-	(1)
Loss on ordinary activities before taxation		-	(1)
Tax on loss on ordinary activities	4	-	-
Retained loss for the financial year transferred from reserves	10	-	(1)

All of the activities of the company are classed as continuing

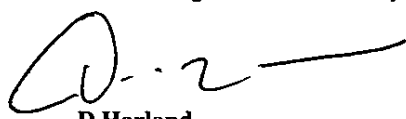
There are no recognised gains or losses for the current financial year or preceding financial year other than as stated in the profit and loss account. Accordingly, no statement of total recognised gains and losses has been presented

Care Management Group (UK) Limited

Balance sheet 28 February 2010

	Note	2010 £'000	2009 £'000
Fixed assets			
Investments	5	-	-
Current assets			
Debtors amounts due within one year	6	5	5
Debtors amounts due after more than one year	6	60,119	60,755
Cash at bank and in hand		-	2
Net current assets		60,124	60,762
Total assets less current liabilities		60,124	60,762
Creditors: amounts falling due after more than one year	7	(61,440)	(62,078)
Net liabilities		(1,316)	(1,316)
Capital and reserves			
Called up share capital	9	9	9
Share premium account	10	40	40
Profit and loss account	10	(1,365)	(1,365)
Shareholder's deficit	10	(1,316)	(1,316)

The financial statements of Company number 04582476 were approved by the Board of Directors on 27 May 2010 and were signed on its behalf by


D Harland
Director

Care Management Group (UK) Limited

Notes to the financial statements For the year ended 28 February 2010

1. Accounting policies

The financial statements are prepared in accordance with applicable United Kingdom accounting standards. The particular accounting policies adopted are described below. These have been consistently applied in the current and prior years.

Accounting convention

The financial statements are prepared under the historical cost convention.

Basis of preparation

The directors intend to maintain the Company as an intermediate holding Company for the foreseeable future. The current economic conditions have not impacted business results year on year, however, the directors acknowledge that the current economic environment creates uncertainty over the level of future trading performance. As at the balance sheet date the Company was in a net liabilities position, however the directors have assurance from CMG Investment Holdings Limited that it will receive adequate financial support for at least 12 months following the signing of the accounts. Considering the financial support of the parent Company, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors have continued to adopt the going concern basis in preparing the annual report and accounts.

Cash flow statement

The company is a wholly-owned subsidiary of CMG Investment Holdings Limited and is included in the consolidated financial statements of that company, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Consolidation

The company has taken advantage of the exemption from the requirement to produce consolidated financial statements in accordance with Section 400 of the Companies Act 2006 since the company is a wholly owned subsidiary undertaking of a UK company which itself prepares consolidated financial statements. The financial statements therefore present information about the company as an individual undertaking not as a group.

Investments

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

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences that result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse.

2. Loss on ordinary activities before taxation

Auditors' remuneration of £1,500 (2009 £2,500) is borne by the company's parent company, Care Management Group Limited, and was not recharged in the current or prior year.

Care Management Group (UK) Limited

Notes to the financial statements (continued) For the year ended 28 February 2010

3 Directors' emoluments

The directors received remuneration paid by Care Management Group Limited in respect of their services to group companies. The portion of this that relates to the company is £nil (2009 £nil)

4. Taxation

There was no tax charge during the year (2009 £nil)

Factors affecting current tax charge for the period

	2010 £'000	2009 £'000
Loss on ordinary activities before taxation	-	(1)
At standard rate of 28% (2009 – 28.2%)	-	-
Effects of Losses carried forward	-	-
Current tax charge for the period	-	-

The UK standard rate of corporation tax reduced from 30% to 28% with effect from April 2008

5 Investments

Cost and net book value	Investments in subsidiary undertakings £
At 29 February 2009 and at 28 February 2010	134

Care Management Group (UK) Limited

Notes to the financial statements (continued) For the year ended 28 February 2010

5. Investments (continued)

The following investments were held at the end of the year

Name of undertaking	Description of shares held	Principal activity	Shareholding
Care Management Group (Holding) Limited	Ordinary shares of £1 each	Holding company	100%
Care Management Group (Southern) Limited	Ordinary shares of £1 each	Running care homes	100%
Care Management Group Limited	Ordinary shares of £1 each	Running care homes	100%
CCA Residential Homes Limited	Ordinary shares of £1 each	Running care homes	100%
Blocklin Holdings Limited	Ordinary shares of £1 each	Holding company	100%
Victoria House (UK) Limited	Ordinary Shares of £1 each	Dormant company	100%
Wherewelve Limited	Ordinary shares of £1 each	Running care homes	100%
Wherewelve Care Group Limited	Ordinary Shares of £1 each	Dormant company	100%
Solent Residential Homes Limited	Ordinary Shares of £1 each	Dormant company	100%
Pathways (Trebanos) Limited	Ordinary Shares of £1 each	Dormant company	100%
Blocklin House Limited	Ordinary Shares of £1 each	Running Care Homes	100%
Care Management Group Trustees Limited	Ordinary Shares of £1 each	Holding company	100%
CMG Homes Limited	Ordinary Shares of £1 each	Agency services for parent company	100%

Care Management Group (UK) Limited holds the entire issued share capital and voting rights of Care Management Group (Holdings) Limited and Care Management Group Trustees Limited

Care Management Group (Holdings) Limited holds the entire issued share capital of Care Management Group Limited, which in turn holds the entire issued share capital of Care Management Group (Southern) Limited, CMG Homes Limited, CCA Residential Homes Limited, Blocklin Holdings Limited, Victoria House (UK) Limited, Wherewelve Limited, Wherewelve Care Group Limited, Solent Residential Homes Limited and Pathways (Trebanos) Limited. Blocklin Holdings Limited holds the entire issued share capital of Blocklin House Limited

Care Management Group (UK) Limited

Notes to the financial statements (continued) For the year ended 28 February 2010

All subsidiary undertakings are incorporated in England and Wales

6. Debtors

	2010 £'000	2009 £'000
Amounts due within one year:		
Other debtors	<u>5</u>	<u>5</u>
Amounts due after more than one year:		
Amounts owed by subsidiary undertakings	<u>60,119</u>	<u>60,755</u>

7. Creditors: Amounts falling due after more than one year

	2010 £'000	2009 £'000
Amounts owed to group undertakings	<u>61,440</u>	<u>62,078</u>

Amounts owed to group undertakings are repayable in more than 5 years, are unsecured and are interest free

8. Deferred taxation

At 28 February 2010, the company has an unprovided deferred tax asset of £193,000 (2009 £193,000) in respect of carried forward tax losses

The deferred tax asset has not been recognised on the grounds that it is not considered more likely that not that it will be recovered, as it is not certain that the company will be profitable in the foreseeable future

9. Share capital

	2010 £'000	2009 £'000
Authorised		
80,769 (2009 80,769) 'A' ordinary shares of 10p each	8	8
18,846 (2009 18,846) 'B' ordinary shares of 10p each	2	2
6,924 (2009 6,924) 'C' ordinary shares of 10p each	1	1
1,154 (2009 1,154) 'D' ordinary shares of 10p each	-	-
	<u>11</u>	<u>11</u>

Care Management Group (UK) Limited

Notes to the financial statements (continued) For the year ended 28 February 2010

9. Share capital (continued)

Called up, allotted and fully paid	2010 £'000	2009 £'000
61,590 (2009 61,590) 'A' ordinary shares of 10p each	6	6
18,846 (2009 18,846) 'B' ordinary shares of 10p each	2	2
6,924 (2009 6,924) 'C' ordinary shares of 10p each	1	1
1,154 (2009 1,154) 'D' ordinary shares of 10p each	-	-
	<u>9</u>	<u>9</u>

Rights attributable to ordinary shares

The 'A', 'B', 'C' and 'D' Ordinary shares all carry one vote per share, subject to any rights or restrictions included in the Articles of Association

The 'A', 'B', 'C' and 'D' Ordinary shares rank *pari passu* (as if they constitute one class of share) in respect of all dividends declared or made by the company

On sale, a return of capital on winding up or capital reduction, the assets of the company remaining after the payment of its liabilities shall be applied first in payment of the issue price on the 'A' Ordinary shares

The balance of such assets, if any, shall be distributed as follows

- The first £1,500,000 of such assets to the 'A', 'B', 'C' and 'D' Ordinary shareholders *pari passu* (as if they constitute one class of share),
- Any remaining balance to the holders of currently un-issued shares of any other class

10. Reserves

	Share capital £'000	Share premium £'000	Profit and loss account £'000	2010 Total £'000	2009 Total £'000
At the beginning of the year	9	40	(1,365)	(1,316)	(1,315)
Result for the year	-	-	-	-	(1)
At the end of the year	<u>9</u>	<u>40</u>	<u>(1,365)</u>	<u>(1,316)</u>	<u>(1,316)</u>

11. Financial commitments

The company is party to cross guarantees for the bank debts due by all companies within the CMG Investment Holdings Limited Group. Total amounts due as at 28 February 2010 amounted to £103,245,163 (2009 £99,422,811)

Care Management Group (UK) Limited

Notes to the financial statements (continued) **For the year ended 28 February 2010**

12. Related party transactions

The company is exempt under the terms of Financial Reporting Standard 8 from disclosing related party transactions with entities that are part of the CMG Investment Holdings Limited group

13. Ultimate parent company and controlling party

CMG Investment Holdings Limited is the ultimate parent undertaking of the Company. The majority of the issued ordinary share capital of CMG Investment Holdings Limited is held by funds advised by Court Cavendish Limited.

CMG Investment Holdings Limited is the only group company to consolidate these financial statements for the year ended 28 February 2010.

