REGISTERED NUMBER. 04918627 (England and Wales)

Report of the Directors and

Financial Statements for the Period 1 November 2007 to 31 March 2009

for

Grove Care Partnership Limited

Grove Care Partnership Limited (Registered number. 04918627)

Contents of the Financial Statements
for the Period 1 November 2007 to 31 March 2009

Grove Care Partnership Limited

Company Information
for the Period 1 November 2007 to 31 March 2009

DIRECTORS:	N B Schofield P A K Jeffery
SECRETARY:	N B Schofield
REGISTERED OFFICE.	Bradbury House 830 The Crescent Colchester Business Park Colchester Essex C04 9YQ
REGISTERED NUMBER:	04918627 (England and Wales)
AUDITORS:	Deloitte LLP Chartered Accountants & Registered Auditors Cambridge England

Report of the Directors
for the Period 1 November 2007 to 31 March 2009

The directors present their report with the financial statements of the company for the period 1 November 2007 to 31 March 2009

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the operation of care homes, and the directors expect this to continue for the foreseeable future

On 16 November 2007, Myriad Healthcare Limited acquired 100% of the ordinary issued share capital of Consensus Support Services Limited, the company's immediate parent company

REVIEW OF BUSINESS

As shown in the company's profit and loss account on page 6, the company's revenue amounted to £4,484,028 (Year ended 31 October 2007 £2,225,630), whilst the company generated an operating profit of £620,217 (Year ended 30 October 2007 £401,652) for the period

As shown in the company's balance sheet on page 8, net assets amounted to £7,749,786 (31 October 2007 £(238,113))

DIVIDENDS

No dividends will be distributed for the period ended 31 March 2009

DIRECTORS

The directors who have held office during the period from 1 November 2007 to the date of this report are as follows

N B Schofield - appointed 28 February 2008
I J White - appointed 28 February 2008
P J Fanning - resigned 28 February 2008
C A W Hamilton - resigned 28 February 2008

P A K Jeffery was appointed as a director after 31 March 2009 but prior to the date of this report

I J White ceased to be a director after 31 March 2009 but prior to the date of this report

PRINCIPAL RISKS AND UNCERTAINTIES

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk, cash flow risk and liquidity risk The use of financial derivatives is governed by the Group's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks The Group does not use derivative financial instruments for speculative purposes

Cash flow risk

The company's activities expose it primarily to the financial risks of changes in interest rates

Where possible, interest bearing assets and liabilities are held at fixed rates in order to ensure certainty of cash flows

Credit risk

The company's principal financial assets are bank balances and cash, intercompany debtors and trade debtors

The company's credit risk is primarily attributable to its trade debtors The amounts presented in the balance sheet are net of allowance for doubtful debts An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies

The company has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the company primarily relies on intercompany financing Such financing is generally provided as required

CHANGE OF ACCOUNTING REFERENCE DATE

During the current period, the company changed its accounting reference date to 31 March, resulting in a long period of account, for the 17 months ended 31 March 2009

GOING CONCERN

The company is reliant on the parent company for financial support The parent company has committed to provide such financial support to the company for the foreseeable future being a period of not less than 12 months from the signing of these accounts Accordingly, the directors continue to adopt the going concern basis of preparation

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) The financial statements are required by law to 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 judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

Grove Care Partnership Limited (Registered number: 04918627)

Report of the Directors
for the Period 1 November 2007 to 31 March 2009

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985 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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each of the persons who are directors of the company at the date when this report is approved

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 1985) of which the company's auditors are unaware,

- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) 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 s234ZA of the Companies Act 1985

AUDITORS

Deloitte LLP were appointed as auditors in the period 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

ON BEHALF OF THE BOARD.

P A K Jeffery - Director

Date 28 July 2010

Report of the Independent Auditors to the Shareholders of Grove Care Partnership Limited

We have audited the financial statements of Grove Care Partnership Limited for the period ended 31 March 2009 which comprise the Profit and Loss account, the Balance Sheet, Statement of Total Recognised Gains and Losses, the Notes of Historical Costs Profits and Losses, and the related notes 1 to 19 These financial statements have been prepared under the accounting policies set out therein

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985 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 a Report of the Auditors 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
The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out on pages three and four

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 We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it

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 directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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 company's affairs as at 31 March 2009 and of its loss for the period then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Report of the Directors is consistent with the financial statements

Deloitte LLP

Deloitte LLP
Chartered Accountants & Registered Auditors
Cambridge
England

Date 28 July 2010

Grove Care Partnership Limited (Registered number. 04918627)

Profit and Loss Account
for the Period 1 November 2007 to 31 March 2009

	Notes	Period 1 11 07 to 31 3 09 £	Year Ended 31 10 07 £
TURNOVER	2	4,484,028	2,225,630
Cost of sales		2,680,047	1,208,249
GROSS PROFIT		1,803,981	1,017,381
Administrative expenses		1,183,764	615,729
OPERATING PROFIT	4	620,217	401,652
Interest receivable and similar income		18	-
Interest payable and similar charges	5	(626,669)	(278,251)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(6,434)	123,401
Tax on (loss)/profit on ordinary activities	6	1,148	13,260
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		(7,582)	110,141

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current period or previous year

The notes on pages 9 to 15 form part of these financial statements

Grove Care Partnership Limited (Registered number: 04918627)

Statement of Total Recognised Gains and Losses for the Period 1 November 2007 to 31 March 2009

	Period 1 11 07 to 31 3 09 £	Year Ended 31 10 07 £
(LOSS)/PROFIT FOR THE FINANCIAL PERIOD	(7,582)	110,141
Unrealised gain on revaluation of certain fixed assets	7,995,481	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE PERIOD	7,987,899	110,141

Note of Historical Cost Profits and Losses for the Period 1 November 2007 to 31 March 2009

	Period 1 11 07 to 31 3 09 £	Year Ended 31 10 07 £
REPORTED (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(6,434)	123,401
Difference between a historical cost depreciation charge and the actual depreciation charge for the year	218,738	-
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	212,304	123,401
HISTORICAL COST PROFIT FOR THE PERIOD RETAINED AFTER TAXATION	211,156	110,141

The notes on pages 9 to 15 form part of these financial statements

Grove Care Partnership Limited (Registered number: 04918627)

Balance Sheet
31 March 2009

	Notes	31 3 09 £	31 3 09 £	31 10 07 £	31 10 07 £
FIXED ASSETS					
Tangible assets	7		14,041,859		4,338,972
CURRENT ASSETS					
Debtors	8	918,363		715,811	
Cash at bank and in hand		69,527		404,883	
		987,890		1,120,694	
CREDITORS					
Amounts falling due within one year	9	7,279,963		546,931	
NET CURRENT (LIABILITIES)/ASSETS			(6,292,073)		573,763
TOTAL ASSETS LESS CURRENT LIABILITIES			7,749,786		4,912,735
CREDITORS					
Amounts falling due after more than one year	10		-		(5,150,731)
PROVISIONS FOR LIABILITIES	13		-		(117)
NET ASSETS/(LIABILITIES)			7,749,786		(238,113)
CAPITAL AND RESERVES					
Called up share capital	14		100		100
Revaluation reserve	15		7,776,743		-
Profit and loss account	15		(27,057)		(238,213)
SHAREHOLDERS' FUNDS	19		7,749,786		(238,113)

The financial statements were approved by the Board of Directors on 28 July 2010 and were signed on its behalf by

P A K Jeffery - Director

The notes on pages 9 to 15 form part of these financial statements

1 ACCOUNTING POLICIES

Basis of preparing the financial statements
The principal accounting policies are summarised below They have all been applied consistently throughout the period and the preceding year

Accounting convention
The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets, and under applicable United Kingdom Accountancy Standards

Cash flow statement
Under FRS 1 (revised 1996) 'cash flow statements' the company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the company's results in its own published consolidated financial statements, which are available to the public

Turnover
Turnover represents sales and services to third party customers in the health and social care sector, stated net of any applicable value added tax Revenue is recognised when the services are provided, with any fees invoiced in advance included within deferred income until the service is completed

Tangible fixed assets
Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment

Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows

Fully operational trading unit 2% per annum
Motor Vehicles 25% per annum

Residual value is calculated on prices prevailing at the date of acquisition or revaluation

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 substantively enacted by the balance sheet date

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted

Going concern
The company is reliant on the parent company for financial support The parent company has committed to provide such financial support to the company for the foreseeable future being a period of not less than 12 months from the signing of these accounts Accordingly, the directors continue to adopt the going concern basis of preparation

continued

1 **ACCOUNTING POLICIES - continued**

Leases
Assets held under finance leases and other similar contracts, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets and are depreciated over the shorter of the lease terms and their useful lives The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant rate of charge on the balance of capital repayments outstanding Hire purchase transactions are dealt with similarly, except that assets are depreciated over their useful lives

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used

Equity instruments
Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs

Revaluation of properties
Individual fully operational trading units are revalued every year with the surplus or deficit on book value being transferred to the revaluation reserve, except that a deficit which is in excess of any previously recognised surplus over depreciated cost relating to the same property, or the reversal of such a deficit, is charged (or credited) to the profit and loss account A deficit which represents a clear consumption of economic benefits is charged to the profit and loss account regardless of any such previous surplus

Where depreciation charges are increased following a revaluation, an amount equal to the increase is transferred annually from the revaluation reserve to the profit and loss account as a movement on reserves On the disposal or recognition of a provision for impairment of a revalued fixed asset, any related balance remaining in the revaluation reserve is also transferred to the profit and loss account as a movement on reserves

2 **TURNOVER**

All turnover is attributable to the UK and to the company's principal activity

3 **STAFF COSTS**

	Period 1 11 07 to 31 3 09	Year Ended 31 10 07
	£	£
Wages and salaries	2,652,543	1,302,864

The average monthly number of employees during the period was as follows

	Period 1 11 07 to 31 3 09	Year Ended 31 10 07
Nurses, catering and domestic staff	118	118

continued

4 OPERATING PROFIT

The operating profit is stated after charging

	Period 1 11 07 to 31 3 09	Year Ended 31 10 07
	£	£
Other operating leases	28,319	-
Depreciation - owned assets	386,531	99,099
Fees payable to the company's auditor for the audit of the company's annual accounts	-	6,000

Directors' emoluments	-	-

5 INTEREST PAYABLE AND SIMILAR CHARGES

	Period 1 11 07 to 31 3 09	Year Ended 31 10 07
	£	£
Bank interest	626,669	278,251

6 TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the period was as follows

	Period 1 11 07 to 31 3 09	Year Ended 31 10 07
	£	£
Current tax		
UK corporation tax	1,265	13,260
Deferred tax	(117)	-
Tax on (loss)/profit on ordinary activities	1,148	13,260

continued

6 TAXATION - continued

Factors affecting the tax charge
The tax assessed for the period is higher than the standard rate of corporation tax in the UK The difference is explained below

	Period 1 11 07 to 31 3 09 £	Year Ended 31 10 07 £
(Loss)/profit on ordinary activities before tax	(6,434)	123,401
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 28 667% (2007 - 20%)	(1,844)	24,680
Effects of		
Expenses not allowed for taxation purposes	3,598	-
Depreciation in excess of capital allowances	111,033	15,411
Group relief	(110,864)	-
Effect of marginal relief	(661)	-
Utilisation of losses in the year	-	(26,671)
Effect of rate change during the year	-	(160)
Adjustment to tax charge in respect of prior period	3	-
Current tax charge	1,265	13,260

In March 2007, the UK government announced that it would introduce legislation that would reduce the corporation tax rate to 28% with effect from 1 April 2008 This legislation was substantively enacted in June 2007 The effective tax rate for the period to 31 March 2009 has been reduced accordingly

7 TANGIBLE FIXED ASSETS

	Fully Operational Trading Unit £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1 November 2007	4,654,792	3,725	4,658,517
Additions	2,093,937	-	2,093,937
Revaluations	7,291,271	-	7,291,271
At 31 March 2009	14,040,000	3,725	14,043,725
DEPRECIATION			
At 1 November 2007	319,076	469	319,545
Charge for period	385,134	1,397	386,531
Revaluation adjustments	(704,210)	-	(704,210)
At 31 March 2009	-	1,866	1,866
NET BOOK VALUE			
At 31 March 2009	14,040,000	1,859	14,041,859
At 31 October 2007	4,335,716	3,256	4,338,972

continued

7 TANGIBLE FIXED ASSETS - continued

The fully operational trading unit was professionally revalued on an existing use basis as at 31st March 2009 by Colliers CRE

Cost or valuation at 31 March 2009 is represented by

	Fully Operational Trading Unit	Motor vehicles	Totals
	£	£	£
Valuation in 2009	14,040,000	-	14,040,000
Cost	-	3,725	3,725
	14,040,000	3,725	14,043,725

If certain fixed assets had not been revalued they would have been included at the following historical cost

	31 3 09	31 10 07
	£	£
Cost	4,438,730	4,414,216
Aggregate depreciation	133,162	-

8 DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 09	31 10 07
	£	£
Trade debtors	102,698	76,171
Amounts owed by group undertakings	813,701	-
Other debtors	117	639,640
Prepayments and accrued income	1,847	-
	918,363	715,811

9 CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 3 09	31 10 07
	£	£
Bank loans and overdrafts (see note 11)	-	73,278
Trade creditors	-	45,912
Amounts owed to group undertakings	7,155,556	-
Corporation tax	1,262	-
Social security and other taxes	42,837	49,652
Other creditors	21,832	378,089
Accruals and deferred income	58,476	-
	7,279,963	546,931

10 CREDITORS· AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31 3 09	31 10 07
	£	£
Bank loans (see note 11)	-	5,150,731

continued

11 LOANS

An analysis of the maturity of loans is given below

	31 3 09	31 10 07
	£	£
Amounts falling due within one year or on demand		
Bank overdrafts	-	73,278
Amounts falling due between one and two years		
Bank loans - 1-2 years	-	5,150,731

12 OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year

	Other operating leases	
	31 3 09	31 10 07
	£	£
Expiring		
Between one and five years	37,759	37,759

13 PROVISIONS FOR LIABILITIES

	31 3 09	31 10 07
	£	£
Deferred tax	-	117

	Deferred tax
	£
Balance at 1 November 2007	117
Accelerated capital allowances	(117)
Balance at 31 March 2009	-

The unrecognised deferred tax asset as at 31 March 2009 was £156 (2007 £nil)

14 CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid

Number	Class	Nominal value	31 3 09	31 10 07
			£	£
100	Ordinary shares	£1	100	100

continued

15 RESERVES

	Profit and loss account £	Revaluation reserve £	Totals £
At 1 November 2007	(238,213)	-	(238,213)
Deficit for the period	(7,582)		(7,582)
Revaluation of fixed assets	-	7,995,481	7,995,481
Transfer to profit and loss	218,738	(218,738)	-
At 31 March 2009	(27,057)	7,776,743	7,749,686

16 ULTIMATE PARENT COMPANY

The company's immediate parent company is Consensus Support Services Limited, by virtue of its 100% shareholding and its ultimate parent company Myriad Healthcare Limited which is registered in England and Wales

The ultimate controlling party is P A K Jeffery, a director of the company and of the ultimate parent company

The largest and smallest group of undertakings for which consolidated accounts will be drawn up is that headed by Myriad Healthcare Limited, which became the ultimate parent on 16 November 2007

17 CONTINGENT LIABILITIES

The company had the following contingent liabilities at 31 March 2009

Cross-guarantees to secure the bank borrowings of Myriad Healthcare Limited, which at 31 March 2009 amounted to £484m (2007 £nil)

18 RELATED PARTY DISCLOSURES

As a wholly owned subsidiary of Myriad Healthcare Limited the company is exempt from the requirements of FRS 8 to disclose transactions with other members of the group headed by Myriad Healthcare Limited on the grounds that consolidated accounts are publicly available from Companies House

19 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31 3 09 £	31 10 07 £
(Loss)/Profit for the financial period	(7,582)	110,141
Other recognised gains and losses relating to the period (net)	7,995,481	-
Net addition to shareholders' funds	7,987,899	110,141
Opening shareholders' funds	(238,113)	(348,254)
Closing shareholders' funds	7,749,786	(238,113)