REGISTERED NUMBER: 04918627 (England and Wales)

Report of the Directors and

Audited Financial Statements for the Year Ended 31 March 2010

for

Grove Care Partnership Limited

Grove Care Partnership Limited (Registered number: 04918627)

Contents of the Financial Statements for the Year Ended 31 March 2010

Grove Care Partnership Limited (Registered number: 04918627)

Company Information for the Year Ended 31 March 2010

DIRECTORS:	P A K Jeffery N B Schofield
SECRETARY:	N B Schofield
REGISTERED OFFICE:	Bradbury House 830 The Crescent Colchester Business Park Colchester Essex CO4 9YQ
REGISTERED NUMBER:	04918627 (England and Wales)
AUDITORS:	Deloitte LLP Chartered Accountants & Statutory Auditors Cambridge England

Grove Care Partnership Limited (Registered number: 04918627)

Report of the Directors for the Year Ended 31 March 2010

The directors present their report with the financial statements of the company for the Year Ended 31 March 2010

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

REVIEW OF BUSINESS
As shown in the company's profit and loss account on page 5, the company's revenue amounted to £4,022,402 (Period 1 October 2007 to 31 March 2009 £4,484,028), whilst the company generated an operating profit £764,477 (Period 1 October 2007 to 31 March 2009 £620,217) for the year ended 31 March 2010

As shown in the company's balance sheet on page 7, net assets amounted to £6,647,746 (31 March 2009 £7,749,786)

DIRECTORS
N B Schofield has been a Director throughout the year
P A K Jeffery has been appointed as a Director on 31 December 2009
I J White ceased to be a Director on 31 December 2009

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

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

Report of the Directors for the Year Ended 31 March 2010 (continued)

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 judgements and accounting estimates that are reasonable and prudent, 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

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 of which the company's auditors are unaware, and
- 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 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 the Companies Act 2006

AUDITORS

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:

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P A K Jeffery - Director

Date: 7th December 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 year ended 31 March 2010 which comprises the Profit and Loss account, the Statement of Total Recognised Gains and Losses, the Note of Historical Cost Profits and Losses, the Balance Sheet and the related notes 1 to 16 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 31 March 2010 and of its profit 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 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 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

Stuart Henderson (Senior Statutory Auditor)
For and on behalf of
Deloitte LLP
Chartered Accountants & Statutory Auditors
Cambridge
England
Date 13 December 2010

Grove Care Partnership Limited (Registered number: 04918627)

Profit and Loss Account for the Year Ended 31 March 2010

	Notes	Year to 31 3 10 £	Period 1 11 07 to 31 3 09 £
Turnover	2	4,022,402	4,484,028
Cost of Sales		(2,229,355)	(2,680,047)
Gross Profit		1,793,047	1,803,981
Administration Expenses		(1,046,570)	(1,183,764)
Operating Profit	4	764,477	620,217
Interest Receivable and Similar Income		53	18
Interest Payable and Similar Charges	5	(400,117)	(626,669)
Profit/(loss) on Ordinary Activities Before Taxation		346,413	(6,434)
Tax on Profit/(Loss) On Ordinary Activities	6	-	(1,148)
Profit/(loss) For The Financial Year	12	346,413	(7,582)

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

The notes on pages 8 to 14 form part of these financial statements

St George's Care Home Limited (Registered number: 03046556)

Statement of Total Recognised Gains and Losses for the Year Ended 31 March 2010

	Year to 31 3 10 £	Period 1 10 07 to 31 3 09 £
Profit/(loss) for the Financial Year	346,413	(7,582)
Unrealised (loss)/gain on revaluation of certain fixed assets	(1,448,452)	7,995,481
Total Recognised Gains and Losses Relating to the Year	(1,102,039)	7,987,899

Note of Historical Cost Profits and Losses for the Year Ended 31 March 2010

	Year to 31 3 10 £	Period 1 10 07 to 31 3 09 £
Reported profit/(loss) on ordinary activities before taxation	346,413	(6,434)
Difference between a historical cost depreciation charge and the actual depreciation charge for the year	145,825	218,738
Historical cost profit on ordinary activities before taxation	492,238	212,304
Historical cost profit for the year retained after taxation and dividends	492,238	211,156

The notes on pages 8 to 14 form part of these financial statements

Grove Care Partnership Limited (Registered number: 04918627)

Balance Sheet as at 31 March 2010

	Notes	2010 £	2009 £
Fixed Assets			
Tangible Assets	7	12,327,832	14,041,859
Current Assets			
Debtors	8	1,940,631	918,363
Cash At Bank and in Hand		160,544	69,527
		2,101,175	987,890
Creditors			
Amounts falling due within one year	9	(7,781,260)	(7,279,963)
Net Current Liabilities		(5,680,085)	(6,292,073)
Total Assets Less Current Liabilities		6,647,747	7,749,786
Net Assets		6,647,747	7,749,786
Capital & Reserves			
Called Up Share Capital	11	100	100
Revaluation Reserve	12	6,182,466	7,776,743
Profit and Loss account	12	465,181	(27,057)
Shareholders' Funds	13	6,647,747	7,749,786

The Financial Statements of Grove Care Partnership Limited (registered number 04918627) were approved by the board of directors and authorised for issue on 7th December 2010

P A K Jeffery - Director

The notes on pages 8 to 14 form part of these financial statements

Notes to the Financial Statements for the Year Ended 31 March 2010

1. ACCOUNTING POLICIES

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

Basis of accounting
The financial statements have been prepared under the historical cost convention modified to include the revaluation of certain assets and in accordance with applicable United Kingdom Accounting 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 results of the company 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 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 3% 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,

Grove Care Partnership Limited (Registered number: 04918627)

Notes to the Financial Statements for the Year Ended 31 March 2010 (continued)

1. ACCOUNTING POLICIES - continued

Going concern
The directors believe that the company is well placed to manage its business risks successfully despite the current uncertain economic outlook

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

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

Notes to the Financial Statements for the Year Ended 31 March 2010 (continued)

3. STAFF COSTS

	Year to 31 3 10 £	Period 1 11 07 to 31 3 09 £
Wages and salaries	1,961,581	2,399,234
Social security and taxes	166,350	174,190
	2,127,931	2,573,424

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

	Year to 31 3 10 No	Period 1 11 07 to 31 3 09 No
Nurses, catering and domestic staff	121	118

4. OPERATING PROFIT

The operating profit is stated after charging

	Year to 31 3 10 £	Period 1 11 07 to 31 3 09 £
Depreciation -owned	386,119	378,281
Depreciation - leased	5,500	8,250
Fees payable to the company's auditor for the audit of the company's annual accounts	3,500	-
Other operating leases	14,413	28,319
Directors' emoluments and other benefits etc	-	-

5. INTEREST PAYABLE AND SIMILAR CHARGES

	Year to 31 3 10 £	Period 1 11 07 to 31 3.09 £
Bank interest	400,117	626,669

Notes to the Financial Statements for the Year Ended 31 March 2010 (continued)

6. TAXATION

Analysis of the tax charge

	Year to 31 3 10 £	Period 1 11 07 to 31 3 09 £
Current Tax		
UK Corporation tax	-	1,265
Deferred Tax	-	(117)
Tax on Profit/(Loss) on ordinary activities	-	1,148

Factors affecting the tax charge
The tax assessed for the year differs from the standard rate of corporation tax in the UK The difference is explained below

	Year to 31 3 10 £	Period 1 11 07 to 31 3 09 £
Profit/(loss) on ordinary activities before tax	346,413	(6,434)
Profit/(loss) on ordinary activities multiplied by the standard rate of corporate tax in the UK of 28% (2009 28 667%)	96,996	(1,844)
Effects of		
Depreciation in excess of capital allowances	109,653	111,033
Group relief	(207,327)	(110,864)
Adjustment due to rate change during the period	-	3
Expenses not allowed for taxation purposes	678	3,598
Effect of marginal relief	-	(661)
Current tax charge	-	1,265

Notes to the Financial Statements for the Year Ended 31 March 2010 (continued)

7. TANGIBLE FIXED ASSETS

	Fully Operational Trading Unit £	Motor Vehicles £	Total £
Cost or Valuation			
At 1 April 2009	14,040,000	3,725	14,043,725
Additions	32,153	93,891	126,044
Revaluation	(1,448,452)	-	(1,448,452)
At 31 March 2010	12,623,701	97,616	12,721,317
Depreciation			
At 1 April 2009	-	(1,866)	(1,866)
Charge for the year	(367,681)	(23,938)	(391,619)
At 31 March 2010	(367,681)	(25,804)	(393,485)
Net Book Value			
At 31 March 2010	12,256,020	71,812	12,327,832
At 31 March 2009	14,040,000	1,859	14,041,859

The Fully Operational Trading Unit was revalued on an existing use basis as at 31 March 2010 by the directors

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Trade debtors	159,788	102,698
Amounts owed by group undertakings	1,749,198	813,701
Other debtors	-	117
Prepayments and accrued income	31,645	1,847
	1,940,631	918,363

9 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2010 £	2009 £
Corporation tax	1,262	1,262
Amounts owed to group undertakings	7,562,405	7,155,556
Hire purchase contracts	81,476	-
Social security and other taxes	40,305	42,837
Other creditors	5,923	21,832
Accruals and deferred income	89,889	58,476
	7,781,260	7,279,963

Notes to the Financial Statements for the Year Ended 31 March 2010 (continued)

10 OPERATING LEASE COMMITMENTS

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

	2010	2009
	£	£
Expiring	£	£
Between one and five years	22,000	37,759

11. CALLED UP SHARE CAPITAL

Allotted, called up and fully paid

Number	Class	Nominal value	2010	2009
			£	£
100	Ordinary Class	£1	100	100

12. RESERVES

	Profit and loss account	Revaluation reserve	Totals
	£	£	£
At 1 April 2009	(27,057)	7,776,743	7,749,686
Profit for the year	346,413	-	346,413
Revaluation of fixed assets	-	(1,448,452)	(1,448,452)
Transfer to profit and loss account	145,825	(145,825)	-
At 31 March 2010	465,181	6,182,466	6,647,647

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2010	2009
	£	£
Profit/(loss) for the financial year	346,413	(7,582)
Other recognised gains and losses related to the year	(1,448,452)	7,995,481
Net (reduction in) addition to shareholders' funds	(1,102,039)	7,987,899
Opening shareholders' funds	7,749,686	(238,113)
Closing shareholders' funds	6,647,647	7,749,786

Notes to the Financial Statements for the Year Ended 31 March 2010 (continued)

14. 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

15. CONTINGENT LIABILITIES

The company had the following contingent liabilities at 31 March 2010

Cross-guarantees to secure the bank borrowings of Myriad Healthcare Limited, which at 31 March 2010 amounted to £502m (2009 £484m)

16. 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