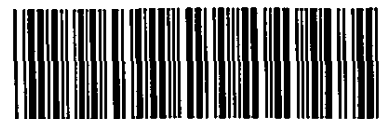


Leicester Careforce Limited

Financial statements

For the year ended 31 December 2010

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Company No. 5126370

Company information

Company registration number	5126370
Registered office	1390 Montpellier Court Gloucester Business Park Brockworth Gloucester GL3 4AH
Directors	A M Long B R Westran Mears Group PLC
Bankers	Barclays Bank PLC PO Box 119 Park House Newbrick Road Stoke Gifford Bristol BS34 8TN
Solicitors	BPE St James's House St James' Square Cheltenham Gloucestershire GL50 3PR
Auditor	Grant Thornton UK LLP Chartered Accountants Registered Auditors Hartwell House 55 - 61 Victoria Street Bristol BS1 6FT

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Report of the Directors

The Directors present their report and the financial statements of the Company for the year ended 31 December 2010

Principal activities

The principal activity of the Company during the year was the provision of domiciliary care. The Company ceased to trade at 31 December 2010 and is now dormant.

Results and dividends

On the 31 December 2010, the trading business of the Company was transferred to Mears Care Limited.

The loss for the year, after taxation, amounted to £421,682 (2009 profit - £51,633). The Directors have not recommended a dividend for 2010 (2009 - £nil).

The Company is expected to remain dormant for the foreseeable future.

Directors

The Directors who served the Company during the period were as follows:

A M Long	
B R Westran	
Mears Group PLC	(corporate director appointed 1 June 2010)
J P Coleman	(resigned 28 May 2010)

Directors' responsibilities

The directors are responsible for preparing the Report of the directors 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 laws). 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 and 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,

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.

In so far as each of the directors is aware:

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

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

Report of the Directors - continued

Going concern consideration

Mears Group PLC, the ultimate parent company, has a centralised treasury arrangement and so shares banking arrangements with its subsidiaries

After making enquiries, the directors believe that the Group and company have adequate resources to continue in operational existence for the foreseeable future, and they have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of the group to continue as a going concern or its ability to continue with the current banking arrangements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts

Small company provisions

The Report of the Directors has been prepared in accordance with the special provisions for small companies under Section 415A of the Companies Act 2006

Auditor

A resolution to re-appoint Grant Thornton UK LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with s489 of the Companies Act 2006

This report was approved by the board on 15 April 2011 and signed on its behalf



B R Westran
Director

Report of the independent auditor to the member of Leicester Careforce Limited

We have audited the financial statements of Leicester Careforce Ltd for the year ended 31 December 2010 which comprise the profit and loss account, the balance sheet 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).

This report is made solely to the company's member, as a body, in accordance with Chapter 3 Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's member those matters we are required to state to them in an auditor's 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 member 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 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 (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

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 December 2010 and of its loss 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 matters prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Directors 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.



J Geraint Davies

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol

15 April 2011

Principal accounting policies

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards. The accounting policies are unchanged from the previous year.

Cash Flow Statement

The Directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that 100% of the voting rights of the Company are controlled by its ultimate parent Company, which publishes a consolidated cash flow statement.

Turnover

Turnover comprises the value of services supplied by the Company during the period, exclusive of Value Added Tax. Turnover is recognised when the individual item of service has been completed. Turnover relating to completed items of service uninvoiced at the period end is accrued and disclosed under prepayments and accrued income.

All turnover is attributable to the one principal activity of the Company, and totally derived in the United Kingdom.

Goodwill

Purchased goodwill, representing the excess of the fair value of the consideration given over the fair values of the identifiable net assets acquired, is capitalised and is amortised on a straight line basis over its estimated useful economic life. The period of amortisation is assessed on an acquisition by acquisition basis and is set based on the expected period that the assets acquired will contribute to the Company's results. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable. The amortisation rate applicable to goodwill currently included in the balance sheet is 5% per annum.

Fixed assets

Tangible fixed assets are stated at historical cost less depreciation. Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset. The rates generally applicable are as follows:

Improvements to leasehold property	- Over the period of the lease, straight line
Fixtures and office equipment	- 25% reducing balance

Operating Lease Agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Deferred Taxation

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax.

Deferred tax assets are recognised only where it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Principal accounting policies - continued

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Profit and loss account

	Note	2010 £	2009 £
Turnover	1	747,112	813,866
Cost of sales		(510,056)	(556,146)
Gross Profit		237,057	257,720
Administrative expenses		(658,739)	(204,118)
Operating (Loss)/Profit	2	(421,682)	53,602
Interest receivable		—	—
(Loss)/profit on ordinary activities before taxation		(421,682)	53,602
Tax on (loss)/profit on ordinary activities	5	—	(1,969)
(Loss)/Profit for the Financial Period	14	(421,682)	51,633

On the 31 December 2010, the trading business of the Company was transferred to Mears Care Limited and the Company ceased to trade. All of the activities of the Company are classed as discontinued.

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

Balance sheet

	Note	£	2010 £	£	2009 £
Fixed assets					
Intangible assets	6		-		502,984
Tangible assets	7		-		49,536
			<u>-</u>		<u>552,340</u>
Current assets					
Debtors	8	-		83,392	
Cash at bank and in hand		-		559	
			<u>-</u>	<u>83,951</u>	
Creditors' amounts falling due within one year	9	-		<u>(31,344)</u>	
Net current assets			<u>-</u>		<u>52,607</u>
Total assets less current liabilities			<u>-</u>		<u>604,947</u>
Creditors' amounts falling due after one year	10		<u>(455,336)</u>		<u>(638,601)</u>
			<u>(455,336)</u>		<u>(33,654)</u>
Capital and reserves					
Share capital	13		1		1
Profit and loss account	14		<u>(455,337)</u>		<u>(33,655)</u>
Shareholders' deficit	15		<u>(455,336)</u>		<u>(33,654)</u>

The financial statements were approved and authorised for issue by the Directors and are signed on their behalf on 15 April 2011



B R Westran
 Director

Notes to the financial statements

1 Turnover

The turnover and (loss)/profit before tax are attributable to the one principal activity of the Company. All turnover is derived from within the United Kingdom.

2 Operating (loss)/profit

Operating (loss)/profit is stated after charging

	2010 £	2009 £
Amortisation	502,984	34,059
Depreciation of tangible fixed assets owned by the Company	9,891	3,605
Operating lease rentals		
- land and buildings	12,000	12,000
- plant and equipment	1,660	1,615
	<u>525,535</u>	<u>51,279</u>

3 Auditor's remuneration

Fees payable to the auditors for the period

	2010 £	2009 £
For the audit of the Company's financial statements	3,000	4,000
For taxation compliance fees	1,000	1,000
	<u>4,000</u>	<u>5,000</u>

4 Employees

The average number of staff employed by the Company during the financial year amounted to

	2010 No	2009 No
Administrative staff	5	4
Carers	49	59
	<u>54</u>	<u>63</u>

The aggregate payroll costs of the above were

	£	£
Wages and salaries	514,213	551,691
Social security costs	35,030	37,929
	<u>549,243</u>	<u>589,620</u>

No director received any remuneration from the Company. Directors are remunerated through other group companies.

Notes to the financial statements

5 Taxation on profit ordinary activities

	2010 £	2009 £
Analysis of charge in the year		
Current tax (see note below)		
UK Corporation tax based on the results for the year	<u>-</u>	<u>1,969</u>

Factors affecting tax charge for the year

The tax assessed on the (loss)/profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 28% (2009 - 28%)

	2010 £	2009 £
(Loss)/profit on ordinary activities before taxation	<u>(421,682)</u>	<u>53,602</u>
(Loss)/profit on ordinary activities multiplied by standard rate of tax	<u>(118,071)</u>	<u>15,009</u>
Effects of:		
Expenses not deductible for tax purposes	140	9,704
Depreciation for period in excess of capital allowances	1,488	(1,354)
Tax rate differences	-	(656)
Group relief utilised	116,443	(20,734)
Total current tax charge for the year	<u>-</u>	<u>1,969</u>

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 January and at 31 December 2010	<u>681,178</u>
Amortisation	
At 1 January 2010	178,194
Charge for the year	502,984
At 31 December 2010	<u>681,178</u>
Net book value	
At 31 December 2010	<u>-</u>
At 31 December 2009	<u>502,984</u>

Notes to the financial statements

7 Tangible fixed assets

	Leasehold property improvements £	Fixtures, fittings and equipment £	Total £
Cost			
At 1 January 2010	18,375	47,343	65,718
Additions	795	-	795
Transfer to group companies	(19,170)	(47,343)	(66,513)
At 31 December 2010	-	-	-
Depreciation			
At 1 January 2010	1,048	15,314	16,362
Charge for the year	1,884	8,007	9,891
Transfer to group companies	(2,932)	(23,321)	(26,253)
At 31 December 2010	-	-	-
Net book value			
At 31 December 2010	-	-	-
At 31 December 2009	17,327	32,029	49,356

8 Debtors

	2010 £	2009 £
Trade debtors	-	58,863
Prepayments and accrued income	-	24,529
	-	83,392

9 Creditors, amounts falling due within one year

	2010 £	2009 £
Corporation tax	-	1,969
Other taxation and social security	-	5,551
Other creditors	-	20
Accruals and deferred income	-	23,804
	-	31,344

Notes to the financial statements

10 Creditors amounts falling due after more than one year

	2010 £	2009 £
Amounts owed to group undertakings	<u>455,336</u>	<u>. 638,601</u>

11 Financial instruments

The Company uses financial instruments, other than derivatives, comprising borrowings, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to finance the Company's operations.

The main risks arising from the Company's financial instruments are liquidity risk and credit risk.

The Company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The Company has no overdraft.

Trade debtors are normally due within 30 to 60 days. All trade debtors are subject to credit risk exposure. However there is no specific concentration of credit risk as the amounts recognised represent a large number of receivables from various customers.

The Company has no interests in the trade of financial instruments, interest rate swaps or forward interest rate agreements.

12 Related party transactions

As a wholly owned subsidiary of Mears Group PLC, the Company is exempt from the requirement of Financial Reporting Standard 8 Related Party Disclosures to disclose transactions with other members of the Group headed by Mears Group PLC on the grounds that Group accounts are publicly available.

13 Share capital

Authorised	2010 £	2009 £
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid share capital		
1 ordinary shares of £1 each	<u>1</u>	<u>1</u>

14 Reserves

	Profit and loss account £
At 1 January 2010	(33,655)
Loss for the year	(421,682)
At 31 December 2010	<u>(455,337)</u>

Notes to the financial statements

15 Reconciliation of movements in shareholders' deficit

	2010 £	2009 £
(Loss)/profit for the financial year	(421,682)	51,633
Opening shareholders' deficit	(33,654)	(85,287)
Closing shareholders' deficit	<u>(455,336)</u>	<u>(33,654)</u>

16 Going concern

Despite a capital and reserves deficit at 31 December 2010 of £455,336, (2009 - £33,654) the Directors have prepared the financial statements on a going concern basis. The Directors consider this to be appropriate as the Company has received confirmation from its ultimate parent undertaking, Mears Group PLC, that it intends to continue to support the Company to enable it to meet its day to day expenses for the foreseeable future.

17 Ultimate parent company

The Directors consider that the ultimate parent undertaking and controlling related party of this Company is Mears Group PLC by virtue of its 100% shareholding.

The largest, and smallest, group of undertakings for which Group accounts have been drawn up is that headed by Mears Group PLC. These accounts are available from The Company Secretary, Mears Group PLC, 1390 Montpellier Court, Gloucester Business Park, Brockworth, Gloucester GL3 4AH.