

Company Registration No 05442152 (England and Wales)

BROADHAM CARE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2011



BROADHAM CARE LIMITED

COMPANY INFORMATION

Directors

P Hurley
G H Wise
S G Wise
M Plant
J J Jordan

Secretary

P Hurley

Company number

05442152

Registered office

52 New Town
Uckfield
East Sussex
TN22 5DE

Auditors

Simmons Gainsford LLP
52 New Town
Uckfield
East Sussex
TN22 5DE

BROADHAM CARE LIMITED

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BROADHAM CARE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2011

The directors present their report and financial statements for the year ended 31 March 2011

Principal activities and review of the business

The principal activity of the company continued to be that of provision of care home facilities for individuals with special needs

The aim of the company is to provide care services at the highest level, by developing its homes to the highest standards for accommodation and decoration, together with imaginative and comprehensive individual care plans and activities, tailored to the needs of each client

The company is committed to a comprehensive training programme for its care staff, and fund the costs for staff, to undertake NVQ qualifications. Staff are required to have NVQ Care qualifications appropriate to their role level

Where possible, the company always promotes organic growth from within, supported by its training programme

The directors are satisfied with the performance of the company during the financial year. The company reports a financial profit this year and the portfolio of care home properties in operation went from five to seven, with a high level of occupancy throughout

As for many businesses of our size, the business environment in which we operate continues to be challenging, being heavily reliant on external funding to further the activities of the business

The Company revised its banking facility arrangements during the year, consolidating bank loan finance at reduced cost

The company also receives funding from G H Wise, a shareholder of the company

The directors confirm the continued loan support from G H Wise and the board are constantly reviewing the banking arrangements

By comprehensive client assessment and operating in a specialist sector, the company is maintaining high fee levels, the results of which now show the company making profits

The directors consider turnover, occupancy and the operating profit margins to be the key performance indicators of the company

During the year, the company's turnover increased by 31% (2010 - 182%) to £4,360,465 (2010 - £3,329,730) due to more homes starting to operate at a higher capacity, while gross profit margin for the year was 24.9% (2010 - 24.9%)

Net profit before tax for the year after administrative and finance costs was £302,650 (2010 - £178,980), representing a net profit margin of 6.9% (2010 - 5.4%)

Gross assets increased 16.8% in the year to £8,700,000 (2010 - £7,449,000) reflecting increased investment in new care homes

Occupancy in the operational homes was 88% during the year, which has risen to 92% since the year end

The directors anticipate that this level of trading will be maintained throughout next year

BROADHAM CARE LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Results and dividends

The results for the year are set out on page 6

Directors

The following directors have held office since 1 April 2010

P Hurley
G H Wise
S G Wise
M Plant
J J Jordan

Charitable donations	2011 £	2010 £
During the year the company made the following payments		
Charitable donations	2,414	1,186

Charitable donations - The recipients, amounts and purpose of the charitable donations are as follows
NCYPE £2,414 donated for continual support for the charity

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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,
- 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.

The directors' interests in the shares of the holding company are disclosed in the accounts of that company.

BROADHAM CARE LIMITED

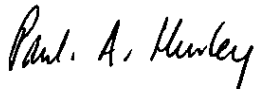
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

By order of the board



P Hurley

Secretary

20/11

BROADHAM CARE LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF BROADHAM CARE LIMITED

We have audited the financial statements of Broadham Care Limited for the year ended 31 March 2011 set out on pages 6 to 17. 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 set out on pages 1 - 3, 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 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. In addition, we read all the financial and non-financial information in the Directors' 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 company's affairs as at 31 March 2011 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.

BROADHAM CARE LIMITED

INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF BROADHAM CARE LIMITED

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, or



Martyn Pizer FCA (Senior Statutory Auditor)
for and on behalf of Simmons Gainsford LLP

20/11/11

Chartered Accountants
Statutory Auditor

52 New Town
Uckfield
East Sussex
TN22 5DE

BROADHAM CARE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2011

		2011	2010
	Notes	£	£
Turnover	2	4,360,465	3,329,730
Cost of sales		<u>(3,273,348)</u>	<u>(2,500,720)</u>
Gross profit		1,087,117	829,010
Administrative expenses		<u>(376,950)</u>	<u>(293,353)</u>
Operating profit	3	710,167	535,657
Other interest receivable and similar income	4	839	828
Interest payable and similar charges	5	<u>(408,356)</u>	<u>(357,505)</u>
Profit on ordinary activities before taxation		302,650	178,980
Tax on profit on ordinary activities	6	<u>8,288</u>	<u>50,218</u>
Profit for the year	13	<u><u>310,938</u></u>	<u><u>229,198</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

BROADHAM CARE LIMITED


BALANCE SHEET

AS AT 31 MARCH 2011

	Notes	2011 £	£	2010 £	£
Fixed assets					
Tangible assets	7	7,808,357		7,044,907	
Current assets					
Debtors	8	326,690		148,530	
Cash at bank and in hand		<u>587,526</u>		<u>305,955</u>	
		914,216		454,485	
Creditors: amounts falling due within one year	9	<u>(433,107)</u>		<u>(625,781)</u>	
Net current assets/(liabilities)		481,109		(171,296)	
Total assets less current liabilities		<u>8,289,466</u>		<u>6,873,611</u>	
Creditors: amounts falling due after more than one year	10	8,651,736		7,546,822	
Capital and reserves					
Called up share capital	12	100,000		100,000	
Profit and loss account	13	<u>(462,270)</u>		<u>(773,211)</u>	
Shareholders' funds	14	<u>8,289,466</u>		<u>6,873,611</u>	

Approved by the Board and authorised for issue on

20/11/11


M. Plant
Director


G H Wise
Director

Company Registration No. 05442152

BROADHAM CARE LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 MARCH 2011

	Notes	£	2011 £	£	2010 £
Net cash inflow from operating activities	19		526,659		832,117
Returns on investments and servicing of finance					
Interest received		839		828	
Interest paid		(408,356)		(357,505)	
Net cash outflow for returns on investments and servicing of finance			(407,517)		(356,677)
Taxation			(174)		-
Capital expenditure					
Payments to acquire tangible assets		(839,199)		(1,100,592)	
Receipts from sales of tangible assets		850		-	
Net cash outflow for capital expenditure			(838,349)		(1,100,592)
Net cash outflow before management of liquid resources and financing			(719,381)		(625,152)
Financing					
New long term bank loan		7,958,050		1,361,477	
Other new long term loans		56,996		1,013,000	
Repayment of long term bank loan		(5,286,264)		-	
Repayment of other long term loans		(1,727,830)		(882,226)	
Net cash inflow from financing			1,000,952		841,831
Increase in cash in the year	20, 21		281,571		216,679

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2011

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention

The financial statements are prepared on the Going Concern basis on the grounds of the continuing support of Mr G Wise, a director of the company who has no intention to demand the loan to the company

1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated)

1.3 Turnover

Turnover represents amounts receivable for services

1.4 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Land and buildings Freehold	£nil
Furnishings	25% on reducing balance
Fixtures, fittings & equipment	25% on reducing balance
Motor vehicles	25% on reducing balance
Furnishings	33% on reducing balance

1.5 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term

1.6 Deferred taxation

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

3	Operating profit	2011	2010
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	73,139	57,868
	Loss on disposal of tangible assets	1,759	2,761
	Operating lease rentals	15,300	15,300
	Auditors' remuneration (including expenses and benefits in kind)	13,800	13,533
		<u> </u>	<u> </u>
4	Investment income	2011	2010
		£	£
	Bank interest	839	828
		<u> </u>	<u> </u>
		839	828
		<u> </u>	<u> </u>
5	Interest payable	2011	2010
		£	£
	On bank loans and overdrafts	247,449	156,789
	On loans repayable after five years	160,907	200,716
		<u> </u>	<u> </u>
		408,356	357,505
		<u> </u>	<u> </u>

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

6	Taxation	2011 £	2010 £
	Domestic current year tax		
	U K corporation tax	-	174
	Total current tax	-	174
	Deferred tax		
	Deferred tax charge/credit current year	(8,288)	(50,392)
		<u>(8,288)</u>	<u>(50,218)</u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	<u>302,650</u>	<u>178,980</u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21 00% (2010 - 21 00%)	<u>63,557</u>	<u>37,586</u>
	Effects of		
	Non deductible expenses	1,051	642
	Depreciation add back	15,728	12,732
	Capital allowances	(28,946)	(12,063)
	Tax losses utilised	(51,390)	(38,723)
		<u>(63,557)</u>	<u>(37,412)</u>
	Current tax charge for the year	<u>-</u>	<u>174</u>

The company has estimated losses of £ 366,052 (2010 - £ 609,192) available for carry forward against future trading profits

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

7 Tangible fixed assets

	Land and buildings Freehold	Plant & machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 April 2010	6,864,017	51,910	120,523	95,185	7,131,635
Additions	690,769	5,932	69,554	44,037	810,292
Disposals	-	-	-	(5,300)	(5,300)
At 31 March 2011	7,554,786	57,842	190,077	133,922	7,936,627
Depreciation					
At 1 April 2010	-	17,679	50,783	35,105	103,567
On disposals	-	-	-	(2,691)	(2,691)
Charge for the year	-	9,547	31,753	18,563	59,863
At 31 March 2011	-	27,226	82,536	50,977	160,739
Net book value					
At 31 March 2011	7,554,786	30,616	107,541	82,945	7,775,888
At 31 March 2010	6,864,017	34,231	69,740	60,080	7,028,068

8 Debtors

	2011 £	2010 £
Trade debtors	64,819	47,623
Other debtors	26,028	1,755
Prepayments and accrued income	177,163	48,760
Deferred tax asset (see note 11)	58,680	50,392
	326,690	148,530

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

9	Creditors amounts falling due within one year	2011 £	2010 £
	Bank loans and overdrafts	147,760	251,726
	Trade creditors	127,164	200,650
	Corporation tax	-	174
	Other taxes and social security costs	71,124	152,449
	Directors' current accounts	-	769
	Other creditors	40,017	5,265
	Accruals and deferred income	47,042	14,748
		<u>433,107</u>	<u>625,781</u>
10	Creditors: amounts falling due after more than one year	2011 £	2010 £
	Bank loans	6,944,740	4,168,992
	Other loans	1,706,996	3,377,830
		<u>8,651,736</u>	<u>7,546,822</u>
	Analysis of loans		
	Wholly repayable within five years	8,799,496	7,798,548
		<u>8,799,496</u>	<u>7,798,548</u>
	Included in current liabilities	(147,760)	(251,726)
		<u>8,651,736</u>	<u>7,546,822</u>
	Loan maturity analysis		
	In more than one year but not more than two years	147,760	-
	In more than two years but not more than five years	1,182,083	-
	In more than five years	7,412,656	7,424,787
		<u>7,412,656</u>	<u>7,424,787</u>

The loan is secured by a fixed and floating charge over the assets of the company. One of the directors has a legal charge over the property, see transactions with directors note.

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

11 Provisions for liabilities

The deferred tax asset (included in debtors, note 8) is made up as follows

	2011 £
Balance at 1 April 2010	(50,392)
Profit and loss account	(8,288)
	<hr/>
Balance at 31 March 2011	(58,680)
	<hr/>

	2011 £	2010 £
Accelerated capital allowances	18,191	77,958
Tax losses available	(76,871)	(128,350)
	<hr/>	<hr/>
	(58,680)	(50,392)
	<hr/>	<hr/>

12 Share capital

	2011 £	2010 £
Allotted, called up and fully paid		
100,000 Ordinary shares of £1 each	100,000	100,000
	<hr/>	<hr/>

13 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2010	(773,208)
Profit for the year	310,938
	<hr/>
Balance at 31 March 2011	(462,270)
	<hr/>

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

14 Reconciliation of movements in shareholders' funds	2011	2010
	£	£
Profit for the financial year	310,938	229,198
Opening shareholders' funds	(673,211)	(902,409)
Closing shareholders' funds	<u>(362,270)</u>	<u>(673,211)</u>

15 Financial commitments

At 31 March 2011 the company was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2012

	Land and buildings	
	2011	2010
	£	£
Operating leases which expire		
Within one year	<u>15,300</u>	<u>3,500</u>

16 Capital commitments	2011	2010
	£	£
At 31 March 2011 the company had capital commitments as follows		
Contracted for but not provided in the financial statements	<u>-</u>	<u>541,389</u>

The has company purchased a property in Staplehurst for the value of £610,000 since the year end The exchange and completion of the property purchase took place in April and May 2011 respectively

17 Directors' remuneration	2011	2010
	£	£
Remuneration for qualifying services	<u>237,964</u>	<u>198,778</u>
Remuneration disclosed above include the following amounts paid to the highest paid director		
Remuneration for qualifying services	<u>98,700</u>	<u>81,313</u>

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

18 Employees

Number of employees

The average monthly number of employees (including directors) during the year was

	2011 Number	2010 Number
Administration	6	6
House Operations	116	90
	<u>122</u>	<u>96</u>

Employment costs

	2011 £	2010 £
Wages and salaries	2,236,667	1,675,327
Social security costs	<u>200,173</u>	<u>148,828</u>
	<u>2,436,840</u>	<u>1,824,155</u>

19 Reconciliation of operating profit to net cash inflow from operating activities

	2011 £	2010 £
Operating profit	710,167	535,657
Depreciation of tangible assets	73,139	57,868
Loss on disposal of tangible assets	1,759	2,761
(Increase)/decrease in debtors	(169,872)	12,995
(Decrease)/increase in creditors within one year	<u>(88,534)</u>	<u>222,837</u>
Net cash inflow from operating activities	<u>526,659</u>	<u>832,118</u>

BROADHAM CARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2011

20 Analysis of net debt	1 April 2010	Cash flow	Other non- cash changes	31 March 2011
	£	£	£	£
Net cash				
Cash at bank and in hand	305,955	281,571	-	587,526
Debt				
Debts falling due within one year	(251,726)	103,966	-	(147,760)
Debts falling due after one year	(7,546,822)	(1,104,914)	-	(8,651,736)
	(7,798,548)	(1,000,948)	-	(8,799,496)
Net debt	(7,492,593)	(719,377)	-	(8,211,970)

21 Reconciliation of net cash flow to movement in net debt	2011	2010
	£	£
Increase in cash in the year	281,571	216,679
Cash inflow from increase in debt	(1,000,948)	(841,831)
Movement in net debt in the year	(719,377)	(625,152)
Opening net debt	(7,492,593)	(6,867,441)
Closing net debt	(8,211,970)	(7,492,593)

22 Related party relationships and transactions

The amount shown as falling due after more than 1 year, totalling £1,706,996 (2010 £3,377,830), represents money due to G H Wise, director and shareholder of the company. This loan is partly secured by legal charge over the freehold land and buildings in Eastbourne, Worthing, Bognor Regis, Oxted and Dover. During the year the company was charged interest at market rates of £160,822 (2010 - £200,716) on these loans.

Included in other creditors are loans to directors of the following values, Mr P Hurley £nil (2010 - £343) and Mr M Plant £nil (2010 - £426).